# Export/Import Bank

### 1nc

#### The Ex-Im bank charter will be renewed -- White House and Dems capitalizing on GOP fracture

Cohen 6/25

Stephanie BNA “White House, Business Groups Press House Republicans to Renew Export-Import Bank”¶ http://www.bna.com/white-house-business-n17179891538/

Rep. Kevin McCarthy (R-Calif.), the majority leader-elect of the House, appeared to widen a chasm within the party over the weekend when he said during a television interview that he would be willing to let the authorization for the Ex-Im Bank expire in September. McCarthy's position may make it harder for Democrats and Republicans who support reauthorization to chart a path for renewal through the House.¶ On Fox News Sunday, McCarthy was asked if he agrees with conservatives who say that the Ex-Im Bank is a form of crony capitalism and should be put out of business.¶ “The last authorization of the Ex-Im Bank directed the president and the treasury secretary to wind down the Ex-Im bank, negotiate with other countries, to wind them down so we have a level playing field,” McCarthy said. “I think Ex-Im Bank is one that government does not have to be involved in. The private sector can do it.”¶ Roadblock to Reauthorization¶ McCarthy's new comments now align him with Rep. Jeb Hensarling (R-Texas), chairman of the House Financial Services Committee, who has stood as a roadblock to reauthorization in recent months. Hensarling told colleagues as recently as June 18 that he won't produce a bill to extend the bank's lending authority past its Sept. 30 expiration date.¶ But McCarthy's comments also seem to reverse an impression he gave some fellow House Republicans prior to his election as majority leader that he would push Hensarling to move a reauthorization bill through the committee process.¶ Following McCarthy's comments, 42 House Republicans dispatched a letter June 23 to Speaker John Boehner (R-Ohio) and McCarthy calling for a multi-year reauthorization of the bank's charter.¶ “In a perfect world this type of financing would not be necessary,” the lawmakers said. “However, failure to reauthorize Ex-Im would amount to unilateral disarmament in the face of other nations' aggressive efforts to help their exporters.”¶ McCarthy sits on the House Financial Services Committee, which is slated to hold a hearing June 25 titled “Examining Reauthorization of the Export-Import Bank: Corporate Necessity or Corporate Welfare?”¶ Bank Benefits Main Street¶ Industry groups, including the National Association of Manufacturers and the U.S. Chamber of Commerce, support renewal of the lender's charter before it expires at the end of September. President Barack Obama has proposed a five-year renewal and a gradual increase in the bank's lending cap, to $160 billion from the current $140 billion.¶ Business-friendly Democrats quickly rounded up examples of small businesses that benefit from the Ex-Im bank and are located on Main Streets throughout the U.S., including FHC Inc.; Integrated Industrial Systems Inc.; Jason Mills, LLC; Halcyon Manufacturing Inc.; Diamond Power International, Inc.; Estron Chemicals, Inc.; Midwest Ag Enterprises, Inc.; and River Valley Manufacturing, Inc.¶ “From Burley, Idaho, to South Bend Indiana, Ex-Im helps manufacturers, farmers, equipment suppliers, chemical companies, and other small businesses that produce everything from fences to portable access ramps for Americans with disabilities,” Phil LaRue, communications director of the New Democrat Coalition, a group of pro-business Democrats in the House, said in an e-mail.¶ White House Defends Reauthorization¶ The White House June 23 outlined its support for reauthorization and questioned how Republicans could oppose an entity supported by President Ronald Reagan.¶ The White House reiterated its position that reauthorization of the bank furthers President Obama's domestic policy-making agenda by expanding economic opportunity for the middle class.¶ “[T]he incoming majority leader is certainly entitled to his own opinion,” White House Press Secretary Josh Earnest told reports at a press briefing June 20. But, Earnest added, the benefits that flow from a reauthorization “are clear.”¶ “Ex-Im Bank helps American companies create and support jobs here at home at no cost to taxpayers, and it helps us meet our export goals, which is why reauthorization of the [Ex-Im] bank has historically enjoyed bipartisan support in the past,” Earnest said. “Additionally, the [Ex-Im] bank provides American small businesses the certainty and protection they need to enter new markets, grow their businesses, and create jobs here at home.”¶ Both the White House and Democrats in the House jumped at the chance to highlight friction within the Republican party. The Democratic Leader's Office June 23 released an e-mail highlighting unfavorable media reaction to McCarthy's remarks.¶ A June 17 document from House Democratic Whip Steny Hoyer (D-Md.) included the renewal of the Ex-Im Bank as one of eight bills on a to-do list for the 113th Congress, adding that “House Republicans have a choice: they can work with us to get things done and start checking off the tasks on Congress' to-do list, or they can ignore the American people and veer even further to the right.”

#### Plan will be spun as more wasteful Obama spending

#### -igniting a massive GOP backlash

#### -jacking Obama’s PC and sinking his agenda

McAuliff 12 (Michael McAuliff, senior congressional reporter for the Huffington Post, “Algae Biofuel Proposal, Now Mocked By Republicans, Used To Have Their Support” February 28, 2012 http://www.huffingtonpost.com/2012/02/28/mitch-mcconnell-mocks-pre\_n\_1307862.html)

Capitol Hill Republicans mounted an all-out offensive against President Obama's energy initiatives Tuesday, even mocking him for an idea many of them used to like: using algae to create biofuel. "Over the past few weeks the American people have begun to feel the painful effects of President Obama's energy policy," Senate Minority Leader Mitch McConnell declared in a Senate floor speech that ridiculed an energy plan Obama detailed last week, which included the use of biofuel sources such as algae. "As millions of Americans groaned at the rising cost of a gallon of gasoline, the president took algae as a substitute for gas. Algae as a substitute for gas," McConnell said in apparent disbelief. "I think the American people realize that a president who's out there talking about algae -- algae! -- when we're having to choose between whether to buy groceries or fill up the tank is the one who is out of touch," McConnell added, arguing that the way to bring down gas prices is to drill for more oil. "Americans get this issue," McConnell said. "They get that we need to increase oil production right here at home, not simply rely on pipe dreams -- pipe dreams -- like algae or by wasting billions of taxpayer dollars on more failed clean energy projects." McConnell was followed by Sen. Kay Bailey Hutchison (R-Texas), who suggested Obama's plans were no plans at all. "What the president does favor is the Saudis increasing oil production, and increased use of solar, wind and algae here at home," she said. "Does that really substitute for an energy policy?"

#### PC is key

Paletta 6/24

Damian covers economic policy for The Wall Street Journal's Washington bureau. “Export-Import Bank 101” Jun 24, 2014 http://blogs.wsj.com/washwire/2014/06/24/export-import-bank-101/

Q: Who are the people worth watching as this unfolds?¶ A: Start with incoming House Majority Leader Kevin McCarthy (R., Calif.). He lit some business leaders’ hair on fire when he proclaimed this weekend that he wanted the bank to go out of business.¶ He voted to support the agency in 2012, and his pivot helps the conservative wing of the party gain momentum to shut the place down. Another key figure is Speaker of the House John Boehner (R., Ohio). A lot of business leaders who support the bank believe he’s their best shot for a Hail Mary pass as October approaches. The roles of President Barack Obama and Senate Majority Leader Harry Reid (D., Nev.) will also be pivotal. Will they really expend political capital to fight for this agency?

#### Failure to reauthorize reverses recovery – the bank is the most effective tool to foster export growth

Dukelow 6/28

Josh Dukelow, VP of Public Policy and Leadership at Fox Cities Chamber of Commerce, June 28th, 2014, “Export-Import Bank needs to be reauthorized”, http://www.postcrescent.com/story/opinion/columnists/2014/06/28/export-import-bank-needs-reauthorized/11575457///SQR

At the federal level, one of the most effective tools to promote exports is the Export-Import Bank. This institution exists to help finance private international trade deals. According to reporting from the Wall Street Journal, in 2013 the “Ex-Im Bank,” as it’s known, authorized $27 billion to facilitate $37.4 billion in U.S. export sales, and returned more than $1 billion in profits (from interest and fees) to the U.S. Treasury. These funds supported 200,000 jobs at 3,400 employers around the country. This federal agency is growing the economy and turning a profit. Despite that, some members in the House of Representatives want to put the Ex-Im Bank out of business. Critics aren’t claiming the bank is ineffective. Rather, many, such as Rep. Kevin McCarthy, soon to be House majority leader, feel the function of financing business deals should be left to the private sector. In a recent interview, he said the Ex-Im Bank is “something government does not have to be involved in.” There are even some who claim that the benefit of the bank’s lending only goes to big corporations, and therefore amounts to “corporate welfare.” But don’t we all benefit when a local employer like Appvion leverages Ex-Im Bank support and its growth brings more jobs to the Fox Cities? Supporters of the bank point out that many other countries offer similar support for their exporters and to eliminate America’s Ex-Im Bank would put American companies at a disadvantage. Our competitors like France, Korea, China, Germany and Brazil pump subsidies into their exporting companies, because they know exporting leads to economic strength. Congress has the responsibility to reauthorize the Ex-Im Bank before its charter expires Sept. 30. If it doesn’t, this important part of our economic recovery could be shut down and exporters could be left scrambling to find financing for their trade deals. Removal of a key piece of support for exporters could significantly constrain any economic recovery. By tapping into consumer and business markets abroad, American companies can continue to grow their revenue and add good, family-supporting jobs. Reauthorization of the Export-Import Bank will ensure that exports will flow out and much-needed revenue will flow back in to American employers and workers.

#### Economic decline causes global war

Royal 10 (Jedediah, Director of Cooperative Threat Reduction – U.S. Department of Defense, “Economic Integration, Economic Signaling and the Problem of Economic Crises”, Economics of War and Peace: Economic, Legal and Political Perspectives, Ed. Goldsmith and Brauer, p. 213-215)

Less intuitive is how periods of economic decline may increase the likelihood of external conflict. Political science literature has contributed a moderate degree of attention to the impact of economic decline and the security and defence behaviour of interdependent states. Research in this vein has been considered at systemic, dyadic and national levels. Several notable contributions follow. First, on the systemic level, Pollins (2008) advances Modelski and Thompson's (1996) work on leadership cycle theory, finding that rhythms in the global economy are associated with the rise and fall of a pre-eminent power and the often bloody transition from one pre-eminent leader to the next. As such, exogenous shocks such as economic crises could usher in a redistribution of relative power (see also Gilpin. 1981) that leads to uncertainty about power balances, increasing the risk of miscalculation (Feaver, 1995). Alternatively, even a relatively certain redistribution of power could lead to a permissive environment for conflict as a rising power may seek to challenge a declining power (Werner. 1999). Separately, Pollins (1996) also shows that global economic cycles combined with parallel leadership cycles impact the likelihood of conflict among major, medium and small powers, although he suggests that the causes and connections between global economic conditions and security conditions remain unknown. Second, on a dyadic level, Copeland's (1996, 2000) theory of trade expectations suggests that 'future expectation of trade' is a significant variable in understanding economic conditions and security behaviour of states. He argues that interdependent states are likely to gain pacific benefits from trade so long as they have an optimistic view of future trade relations. However, if the expectations of future trade decline, particularly for difficult to replace items such as energy resources, the likelihood for conflict increases**,** as states will be inclined to use force to gain access to those resources. Crises could potentially be the trigger for decreased trade expectations either on its own or because it triggers protectionist moves by interdependent states.4 Third, others have considered the link between economic decline and external armed conflict at a national level. Blomberg and Hess (2002) find a strong correlation between internal conflict and external conflict, particularly during periods of economic downturn. They write: The linkages between internal and external conflict and prosperity are strong and mutually reinforcing. Economic conflict tends to spawn internal conflict, which in turn returns the favour. Moreover, the presence of a recession tends to amplify the extent to which international and external conflicts self-reinforce each other. (Blomberg & Hess, 2002. p. 89) Economic decline has also been linked with an increase in the likelihood of terrorism (Blomberg, Hess, & Weerapana, 2004), which has the capacity to spill across borders and lead to external tensions. Furthermore, crises generally reduce the popularity of a sitting government. "Diversionary theory" suggests that, when facing unpopularity arising from economic decline, sitting governments have increased incentives to fabricate external military conflicts to create a 'rally around the flag' effect. Wang (1996), DeRouen (1995). and Blomberg, Hess, and Thacker (2006) find supporting evidence showing that economic decline and use of force are at least indirectly correlated. Gelpi (1997), Miller (1999), and Kisangani and Pickering (2009) suggest that the tendency towards diversionary tactics are greater for democratic states than autocratic states, due to the fact that democratic leaders are generally more susceptible to being removed from office due to lack of domestic support. DeRouen (2000) has provided evidence showing that periods of weak economic performance in the United States, and thus weak Presidential popularity, are statistically linked to an increase in the use of force. In summary, recent economic scholarship positively correlates economic integration with an increase in the frequency of economic crises, whereas political science scholarship links economic decline with external conflictat systemic, dyadic and national levels.5 This implied connection between integration, crises and armed conflict has not featured prominently in the economic-security debate and deserves more attention.

# 2NC

## 2NC-Uniqueness wall

### Top of the Agenda

#### Deadline and Tea Party posturing makes reauthorization TOA for media and White House

Caldwell 6/26

Leigh Ann CNN “The next battle in Washington” Jun 26, 2014 http://www.kspr.com/news/politics/The-next-battle-in-Washington/21051736\_26684572

We've seen this dynamic before: A mundane and wonky issue that many have never heard of suddenly elevates to national prominence. Remember the debt ceiling and that it was mostly an unknown quantity five years ago?¶ This time it's renewing the authority of this thing called the Export-Import Bank to do business.¶ The obscure independent agency provides loan guarantees to foreign companies struggling to secure financing to purchase goods from American manufacturers.¶ But much of its financing goes to aircraft manufacturing giant Boeing and costs taxpayers about $200 million per year, which critics contend wastes money and skews private markets.¶ The agency's authority to make loans expires September 30 and Congress is now tasked with deciding once again whether to renew it.¶ But it also is the latest battle emerging within the Republican Party, once again pitting the establishment against the tea party.¶ Michael Needham, CEO of Heritage Action, the political arm of a similarly named conservative think tank and leading opponent, said the Ex-Im Bank is, "the purist form of corporate cronyism that exists in Washington, D.C."¶ On the other side of the debate is Christopher Wenk, senior director for international policy at the U.S. Chamber of Commerce, which represents business interests in the capital.¶ Wenk said the bank's demise would cost 200,000 jobs and that the chamber's members nationwide are "scratching their heads about why this is such a big deal in Washington."¶ The agency has been in place for nearly 80 years. Congress reauthorized it in 2012, passing overwhelmingly despite some noisy Republican opposition. There was no Republican pushback to its previous reauthorization.¶ Why the controversy now?¶ With the rise of the tea party in 2010 and the resulting influx of lawmakers fiercely opposed to more government spending, the issue had the means to gain some traction.¶ Needham said his organization devoted time and resources to lobby against and were "excited" to see 93 House members and 20 senators oppose it the last time around.¶ Heritage and other conservative groups, including Club for Growth, FreedomWorks and Americans for Prosperity, have now had two years to gin up a coalition and pressure Congress.¶ In addition, Rep. Jeb Hensarling of Texas, a fierce opponent of the bank, was elected to lead the committee that oversees it, helping to raise the profile of opponents.¶ The bank has long had critics, but nothing has risen to the level where Congress might try to shut it down.¶ The bank has been involved in numerous lawsuits, including by Delta Air Lines and related groups who contend its lending practices boost foreign competitors through aircraft sales. Delta flies worldwide. Environmental groups have also launched court challenges, opposing the bank's heavy backing of fossil fuels.¶ In a campaign address about cutting government waste, candidate Barack Obama called the Ex-Im Bank "corporate welfare."¶ In the 1980s, William H. Becker and William M. McClenahan wrote in their book "The Market, the State and the Export-Import Bank" that President Ronald Reagan was "initially unsympathetic" as opposition from the left and the right rose.¶ But neither Reagan nor Obama tried to dissolve it. Obama now supports it and asked Congress to raise its borrowing cap and extend its authority for five years.¶ The politics¶ It's also an election year and the issue was elevated last week because the newly elected House Majority Leader Kevin McCarthy, flipped his position and came out in opposition, emboldening the more conservative wing of the party.¶ His shift comes after his predecessor, Ex-Im Bank supporter and outgoing majority leader, Eric Cantor, lost his primary to Dave Brat, who campaigned against corporate welfare.¶ While the Chamber of Commerce and tea party-linked groups have been battling it out in Republican primaries, this issue is adding to the feud.¶ "Some see it as a prime opportunity to make a political statement," Wenk said. "That's' one of my biggest beefs right now."

### Obama Pushing

#### Obama’s strong pushing reauthorization

Goldfarb 6/26

Zachary, Washington Post White House staff writer, “Candidate Obama, echoing tea party, called Ex-Im Bank ‘little more than a fund for corporate welfare’” June 26, 2014 http://www.washingtonpost.com/blogs/wonkblog/wp/2014/06/26/candidate-obama-echoing-tea-party-called-ex-im-bank-little-more-than-a-fund-for-corporate-welfare/

The administration now is strongly supporting reauthorization of the bank. I asked the White House how it reconciles its current position with Obama's remarks as a candidate. A spokesman, Eric Schultz, sent over this statement:¶ Since the President took office, the Ex-Im bank has served an important role in helping firms access financing when private sources of finance dried up as a result of the recession in the beginning of the administration. Since then, the Ex-Im bank has been a vital source for these firms, and is key to helping us achieve our export goals and supporting thousands of businesses across the country large and small. We urge Congress to act to reauthorize the bank

### Will Pass --

#### Democrats

Puzzanghera and Memoli 6/24

Jim Puzzanghera and Michael A. Memoli, June 24th, 2014, “Shift in GOP leadership leaves Export-Import Bank at risk of closing”, http://www.latimes.com/business/la-fi-export-import-bank-20140625-story.html#page=1//SQR

FirmGreen was concerned Congress would not reauthorize the Export-Import Bank, which provides loans and other assistance to foreign entities that must be used to buy U.S. products. The loss of the project led Wilburn to furlough three of his company's 10 permanent employees. "I'm not a big business. I'm not a crony capitalist," said Wilburn, a Republican scheduled to testify at Wednesday's hearing. "No private bank will fulfill that role for us." Boeing said it would be at a competitive disadvantage without the bank because its main competitor, Airbus Group in Leiden, the Netherlands, has the support of export finance agencies in France, Germany and Britain. "The airplane market is highly competitive, and every deal is won or lost by the slightest of margins," said Boeing spokesman John Kvasnosky. "Any uncertainty in financing availability could unnecessarily tilt the field against Boeing, putting thousands of manufacturing jobs at risk." Top business groups have launched a full-scale effort to save the bank. "This is about the American economy and the fact that we are today more than ever before in a global, competitive economy," said Thomas Donohue, president of the U.S. Chamber of Commerce. "We think the Ex-Im Bank can help us meet that challenge." ¶ Senate Majority Leader Harry Reid (D-Nev.) said Tuesday the bank has wide support in that chamber. If the House takes up legislation to reauthorize the bank, it's likely to pass because of strong Democratic backing. Two years ago, 183 Democrats joined with 147 Republicans to extend the bank's charter for two more years and increase the limit on its overall credit exposure to $140 billion. On Monday, 42 House Republicans wrote to McCarthy and House Speaker John A. Boehner (R-Ohio) urging them to "move forward with a multi-year reauthorization of Ex-Im that provides certainty and stability for U.S. manufacturers and exporters of all sizes." Boehner and McCarthy voted to reauthorize the bank two years ago. But Boehner indicated Tuesday that this time he would defer to Hensarling, whose committee has jurisdiction over the bank. "My job is to work with our members to get to a place where the members are comfortable," said Boehner, calling it a "thorny issue." "Some people believe that we shouldn't have it at all, others believe that we should reauthorize it with significant reforms, and we're going to work our way through this," he said.

#### Business Support

Paletta 6/24

Damian covers economic policy for The Wall Street Journal's Washington bureau. “Export-Import Bank 101” Jun 24, 2014 http://blogs.wsj.com/washwire/2014/06/24/export-import-bank-101/

Q: What do businesses think?¶ A: Hard to generalize. There’s a big coalition of companies, led by the U.S. Chamber of Commerce and the National Association of Manufacturers, that is pushing to get the agency’s charter reauthorized. But some other businesses, notably Delta Air Lines DAL -0.13%, have in the past called for the agency’s powers to be scaled back dramatically, fearing that cheap financing helps their overseas rivals. Delta’s message is shifting, however, now that the agency is on the ropes.

#### White House COC alliance

Sargent 6/24

Greg, Washington Post, “Another government shutdown?” June 24 http://www.washingtonpost.com/blogs/plum-line/wp/2014/06/24/another-government-shutdown/

The bank provides direct loans, guarantees, and credit insurance to aid foreign purchasers in buying American-made goods. Its charter expires at the end of September, unless Congress acts to renew it…The dispute over the bank has made some unusual allies — the White House and the Republican establishment-friendly Chamber of Commerce both pressed the case for the bank’s renewal on Monday, the day after McCarthy’s comments brought the debate to the forefront.

#### GOP compromise coming

Wingfield 6/26

Brian Wingfield is a reporter for Bloomberg News in Washington. “Republicans Crafting Ex-Im Bank Changes to Thwart Foes of Agency” June 26, 2014http://www.businessweek.com/news/2014-06-26/republicans-crafting-ex-im-changes-to-thwart-agency-foes

With the fate of the U.S. Export-Import Bank hanging in the balance, a group of House Republicans met today to discuss ways the agency could be restructured to satisfy critics who want it shut down.¶ Republican members of the House Financial Services Committee met privately and talked about altering the bank’s accounting practices and requiring annual audits, said Representative Stephen Fincher of Tennessee, a member who attended the meeting.¶ The committee is considering whether to reauthorize the 80-year-old bank, which will shut Sept. 30 if no action is taken. The institution provides loan guarantees, loans and insurance to help U.S. exports.¶ “There is much support on the committee for reforming and reauthorization,” Fincher said today in a phone interview. “We’re working with the chairman and can hopefully have something next week.”¶ Fincher said that during next week’s congressional recess he will work with members to craft acceptable language to win support for reauthorization. He said ideas discussed today included stripping the bank of loan-making powers to focus on loan guarantees. They also discussed ways to provide more help to small- and medium-sized businesses.¶ “Just cutting it off cold turkey probably is not the responsible thing to do,” he said.

## Uniqueness--Will Pass

### AT: Not TOA

#### TOA in both Houses

Wingfield 6/25

Brian Wingfield is a reporter for Bloomberg News in Washington. “Ex-Im Chairman Hochberg Defends Against Republican Foes” June 25, 2014 http://www.businessweek.com/news/2014-06-25/republican-backing-ex-im-s-demise-spars-with-democrat

Senate Majority Leader Harry Reid yesterday said he plans to set a reauthorization vote before the charter lapses in September.¶ In the House, at least two renewal proposals have emerged. Representative John Campbell, a California Republican, said he is drafting a measure to keep the bank in business for three years and trim the lending cap to $95 billion. Representative Denny Heck, a Washington Democrat, said he has a bill to renew the bank through 2021 and raise the limit to $175 billion.

#### Debate over charter underway now

Paletta 6/24

Damian covers economic policy for The Wall Street Journal's Washington bureau. “Export-Import Bank 101” Jun 24, 2014 http://blogs.wsj.com/washwire/2014/06/24/export-import-bank-101/

The U.S. Export-Import Bank has been in the news a lot lately, as its charter is expiring and Congress is debating how to proceed. It’s not your typical government agency, though, and there are a lot of moving parts and competing interests.¶ Here’s a primer:¶ Q: Is this an agency or a bank?¶ A: Both. The Ex-Im Bank is a federal agency, created by the White House in the 1930s. It receives and returns money to the U.S. Treasury Department. Its mission is to support U.S. exports by helping provide loans, credit insurance, and loan guarantees, among other things, on U.S. goods shipped all over the world. It technically makes money, but it has credit exposure and if it made bad decisions or took on too many risks, it could lose money. It is certainly a type of bank. It makes loan decisions, and recoups interest and fees.¶ Q: What is happening to it?¶ A: The agency’s charter expires at the end of September. If it isn’t reauthorized, it will essentially be unable to originate new loans or accept new credit applications. It won’t disappear, necessarily, as it will still have a book of business to manage and monitor, but it will slowly shrink and eventually be out of business.

### AT : Not Pass – Business Push

#### Chamber of Commerce and other business lobbies making aggressive push

Courher Herald 6/28

Courher Herald, June 28th, 2014, “Cantwell, Murray & Inslee urge to keep export, import bank open”, http://www.blscourierherald.com/news/264996591.html//SQR

“Reauthorizing the Export-Import Bank isn’t about politics, or Republicans and Democrats. It’s about creating jobs here in the United States and keeping our businesses competitive in the global marketplace. That’s it,” Senator Murray said. “Of the more than 200,000 American jobs supported by the Export-Import Bank last year, more than half were in Washington state, so while this is national priority, it’s particularly critical for jobs and the economy in our home state.” The entire Washington state delegation – in both the House and the Senate -- voted for the bank’s reauthorization in 2012. Ex-Im’s reauthorization has been backed by business groups around the country, including the U.S. Chamber of Commerce, the National Association of Manufacturers and the Business Roundtable. Historically, the bank has received strong bipartisan support. The Ex-Im Bank, which is self-supported through interest payment and fees, turns a profit for U.S. taxpayers, and transferred $1 billion in revenue to the U.S. Treasury in 2013. It has been reauthorized about two-dozen times since it was created in 1934. “I know that I am speaking for hundreds of small- and medium-sized manufacturers across the country when I say to our Congress: Please reauthorize Ex-Im Bank without delay,” Stone, of SCAFCO, said. “The future of America’s exports and a significant amount of American manufacturers depend on your action on this important issue.” In the past year alone, Ex-Im financing assisted 84 Washington companies, including 64 small businesses, and close to $21 billion worth of sales to foreign customers. In FY 2013, nearly 90 percent of the Ex-Im Bank’s transactions—a record-high 3,413—involved American small businesses. In FY 2011, more than 700 first-time small businesses and nearly 500 minority- and women-owned businesses used the bank’s services. Ex-Im opened a new branch in Seattle in August 2012, with the goal of helping small businesses get more access to the bank’s financing. If private banks are unwilling or unable, the Export-Import Bank steps in and finances or insures the purchase of U.S. goods by foreign customers. It also helps U.S. companies stay competitive against their counterparts overseas that are financed by foreign governments.

### AT: Not Pass – Bipart

#### Bipartisan efforts for reauthorization

Wingfield 6/26

Brian Wingfield is a reporter for Bloomberg News in Washington. “Republicans Crafting Ex-Im Bank Changes to Thwart Foes of Agency” June 26, 2014http://www.businessweek.com/news/2014-06-26/republicans-crafting-ex-im-changes-to-thwart-agency-foes

In the House, at least two renewal proposals have emerged. Representative John Campbell, a California Republican, said he is drafting a measure to keep the bank in business for three years and trim the lending cap to $95 billion. Representative Denny Heck, a Washington Democrat, said he has a bill to renew the bank through 2021 and raise the limit to $175 billion.

## Obama Pushing

### AT: Obama not Pushing

Obama’s making the case for renewal

Sargent 6/24

Greg, Washington Post, “Another government shutdown?” June 24 http://www.washingtonpost.com/blogs/plum-line/wp/2014/06/24/another-government-shutdown/

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Goldfarb 6/26

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### AT U o/w L

#### Dems full court press must overcome conservative republican caucus

French 6/24

Lauren French is a Congress reporter for POLITICO. She was formerly a tax policy reporter for POLITICO Pro and the author of Morning Tax. Before joining POLITICO, she was an intern with Reuters covering national security and foreign policy and with McClatchy and The Houston Chronicle where she did stints on the Hill (Lauren, “House Democrats push for Ex-Im Bank” Politico, http://www.politico.com/story/2014/06/export-import-bank-house-democrats-108208.html)//ADravid

House Democrats will launch a campaign Tuesday to re-authorize the Export-Import Bank even as incoming Majority Leader Kevin McCarthy is discounting the measure’s chance of success. Authorization for the bank, which provides federal loans intended to boost U.S. exports, expires at the end of September. But Republicans aren’t rushing to re-up the charter, saying the bank is ill equipped to carry out its duties. If Congress fails to extend the charter, it will be the first time in 80 years that the bank, which provides loans and loan guarantees to giant corporations and small businesses, would cease to exist. Democrats say that would put American businesses at a competitive risk. (Also on POLITICO: Messing with Texas on the Ex-Im Bank) “Congress must take bipartisan action before the Export-Import Bank’s authorization expires so that we can give certainty to businesses and provide important resources to keep American exporters competitive. To do otherwise would greatly hurt our businesses and our economy,” said Minority Whip Steny Hoyer (D-Md.) Rep. Denny Heck (D-Wash.) will introduce legislation on Tuesday that would extend Export-Import Bank’s authorization for seven years and give the bank $175 billion to spend to help companies like Boeing, Caterpillar and GE export products. The money also helps small businesses find a place in the global market. “The Export-Import Bank is a reliable way for American business—including many small businesses—to sell their goods and services into the world marketplace,” Heck said. “If we abandon this resource, we are allowing China, Russia, and European countries to gain ground in export deals previously made with us.” The legislation is supported by the U.S. Chamber of Commerce and the National Association of Manufacturers - two lobbying behemoths that hold sway among Republicans. The groups were among the organizations who recently sent a letter to the Hill arguing that the bank helps companies compete in “fiercely competitive global markets.” (Also on POLITICO: Kevin McCarthy: Allow Export-Import Bank to close) But the Depression-era bank will run up against Republicans, who are deeply divided on the issue. McCarthy, who was elected as majority leader just last week, said the government shouldn’t be involved in the bank. “I think Ex-Im Bank is … something government does not have to be involved in. The private sector can do it,” McCarthy said in an interview on Fox News Sunday this weekend. “One of the biggest problems with government is they go and take hard-earned money so others do things that the private sector can do. That’s what the Ex-Im Bank does.” McCarthy voted for the bank’s authorization in 2012. Other top House Republicans don’t appear to feel any urgency to renew the bank. GOP leaders are watching Rep. Jeb Hensarling’s (R-Texas) Financial Services Committee to see what - if anything - it produces. They’re also eyeing the level of organic support for renewing the program. “Boehner has been clear that this is an issue that Members, particularly on the Financial Services Committee, need to discuss - and that is happening,” said Michael Steel, Boehner’s spokesman. Hensarling is one of the House’s most outspoken critics against re-upping the bank’s mandate. He’s compared it to “crony capitalism” and a handout for big business. Re-authorizing the bank historically isn’t a heavy lift. In 2012, 330 House members approved the charter - an effort led by Majority Leader Eric Cantor, who lost his primary bid earlier this month. In 2006, it was so noncontroversial that it passed in the House by unanimous consent. But the Republican caucus has grown more conservative since then. Still, some Republicans are backing the bank. A group of 41 House Republicans wrote to Speaker Boehner and McCarthy on Monday expressing support for the bank.

## PC is key

### AT: PC not key

#### Political capital does play a key role in determining the outcome of legislation

Beckmann & Kumar, 11 --- Department of Poli Sci and UC Irvine (Matthew N. Beckmann and Vimal Kumar, Journal of Theoretical Politics, “How presidents push, when presidents win: A model of positive presidential power in US lawmaking,” SAGE Journals Database)

Agreeing that presidents’ strategic options in Congress do indeed depend heavily on factors beyond their control, our model’s first insight is explicating the two systematic strategies presidents have available for exerting influence in Congress: they can target marginal voters to shift the preference distribution on roll-call votes and they can target congressional leaders to censor the policy alternatives making it that far. While the first of these is widely recognized and studied, the second is not. By detailing the actual mechanisms of president-led coalition building on Capitol Hill, ours is a theory that puts positive presidential power on a firmer conceptual footing; legislative opportunities are predictable (if not controllable) and capitalizing on them depends on nothing more heroic than the normal grist of legislative politics: arm-twisting, brow-beating, and horse-trading. In this way, we subscribe to President Eisenhower’s observation: ‘I’ll tell you what leadership is: it’s persuasion, and conciliation, and education, and patience. It’s long, slow, tough work’ (Hughes, 1963: 124). However, if spending political capital in the service of vote-centered and agenda-centered strategies is a necessary condition for presidents to have positive influence in Congress, it certainly is not a sufficient condition. Instead, we find the exact policy return on a particular presidential lobbying campaign is conditioned by the location of the status quo, and the nature of leading opponents’ and pivotal voters’ preferences. Beyond enjoying ample political capital, then, those presidents who seek to change far-off status quos and confront pliable leading opponents and/or pivotal voters are expected to wield the greatest policymaking impact. By comparison, presidents with little to no political capital, seeking to change centrist status quos, or confronting opposing leaders and pivotal voters who staunchly oppose their proposals can find themselves with ‘nothing to do but stand there and take it’, as Lyndon Johnson once put it.

#### Dickinson concludes neg – prefer this evidence because it’s from a peer reviewed journal and isn’t just a random blog post.

Dickinson, ‘9 (Matthew Dickinson, professor of political science at Middlebury College. He taught previously at Harvard University, where he also received his Ph.D., working under the supervision of presidential scholar Richard Neustadt, We All Want a Revolution: Neustadt, New Institutionalism, and the Future of Presidency Research, Presidential Studies Quarterly 39 no4 736-70)

Small wonder, then, that initial efforts to find evidence of presidential power centered on explaining legislative outcomes in Congress. Because scholars found it difficult to directly and systematically measure presidential influence or "skill," however, they often tried to estimate it indirectly, after first establishing a baseline model that explained these outcomes on other factors, including party strength in Congress, members of Congress's ideology, the president's electoral support and/or popular approval, and various control variables related to time in office and political and economic context. With the baseline established, one could then presumably see how much of the unexplained variance might be attributed to presidents, and whether individual presidents did better or worse than the model predicted. Despite differences in modeling assumptions and measurements, however, these studies came to remarkably similar conclusions: individual presidents did not seem to matter very much in explaining legislators' voting behavior or lawmaking outcomes (but see Lockerbie and Borrelli 1989, 97-106). As Richard Fleisher, Jon Bond, and B. Dan Wood summarized, "[S]tudies that compare presidential success to some baseline fail to find evidence that perceptions of skill have systematic effects" (2008, 197; see also Bond, Fleisher, and Krutz 1996, 127; Edwards 1989, 212). To some scholars, these results indicate that Neustadt's "president-centered" perspective is incorrect (Bond and Fleisher 1990, 221-23). In fact, the aggregate results reinforce Neustadt's recurring refrain that presidents are weak and that, when dealing with Congress, a president's power is "comparably limited" (Neustadt 1990, 184). The misinterpretationof the findings as they relate to PP stems in part from scholars' difficulty in defining and operationalizing presidential influence (Cameron 2000b; Dietz 2002, 105-6; Edwards 2000, 12; Shull and Shaw 1999). But it is also that case that scholars often misconstrue Neustadt's analytic perspective; his description of what presidents must do to influence policy making does not mean that he believes presidents are the dominant influence on that process. Neustadt writes from the president's perspective, but without adopting a president-centered explanation of power. Nonetheless, if Neustadt clearly recognizes that a president's influence in Congress is exercised mostly, as George Edwards (1989) puts it, "at the margins," his case studies in PP also suggest that, within this limited bound, presidents do strive to influence legislative outcomes. But how? Scholars often argue that a president's most direct means of influence is to directly lobby certain members of Congress, often through quid pro quo exchanges, at critical junctures during the lawmaking sequence. Spatial models of legislative voting suggest that these lobbying efforts are most effective when presidents target the median, veto, and filibuster "pivots" within Congress. This logic finds empirical support in vote-switching studies that indicate that presidents do direct lobbying efforts at these pivotal voters, and with positive legislative results. Keith Krehbiel analyzes successive votes by legislators in the context of a presidential veto and finds "modest support for the sometimes doubted stylized fact of presidential power as persuasion" (1998,153-54). Similarly, David Brady and Craig Volden look at vote switching by members of Congress in successive Congresses on nearly identical legislation and also conclude that presidents do influence the votes of at least some legislators (1998, 125-36). In his study of presidential lobbying on key votes on important domestic legislation during the 83rd (1953-54) through 108th (2003-04) Congresses, Matthew Beckman shows that in addition to these pivotal voters, presidents also lobby leaders in both congressional parties in order to control what legislative alternatives make it onto the congressional agenda (more on this later). These lobbying efforts are correlated with a greater likelihood that a president's legislative preferences will come to a vote (Beckmann 2008, n.d.). In one of the most concerted efforts to model how bargaining takes place at the individual level, Terry Sullivan examines presidential archives containing administrative headcounts to identify instances in which members of Congress switched positions during legislative debate, from initially opposing the president to supporting him in the final roll call (Sullivan 1988, 1990, 1991). Sullivan shows that in a bargaining game with incomplete information regarding the preferences of the president and members of Congress, there are a number of possible bargaining outcomes for a given distribution of legislative and presidential policy preferences. These outcomes depend in part on legislators' success in bartering their potential support for the president's policy for additional concessions from the president. In threatening to withhold support, however, members of Congress run the risk that the president will call their bluff and turn elsewhere for the necessary votes. By capitalizing on members' uncertainty regarding whether their support is necessary to form a winning coalition, Sullivan theorizes that presidents can reduce members of Congress's penchant for strategic bluffing and increase the likelihood of a legislative outcome closer to the president's preference. “Hence, the skill to bargain successfully becomes a foundation for presidential power even within the context of electorally determined opportunities,” Sullivan concludes (1991, 1188).

## AT: L/T

### AT Winners Win

#### PC finite- legislative wins don’t spillover --- empirics prove, true for Obama, too polarized

Eberly 1/21 Todd Eberly is coordinator of Public Policy Studies and assistant professor in the Department of Political Science at St. Mary's College of Maryland. His email is teeberly@smcm.edu. This article is excerpted from his book, co-authored with Steven Schier, "American Government and Popular Discontent: Stability without Success," to published later this year by Routledge Press., 1-21-2013 http://articles.baltimoresun.com/2013-01-21/news/bs-ed-political-capital-20130121\_1\_political-system-party-support-public-opinion/2

As Barack Obama prepares to be sworn in for the second time as president of the United States, he faces the stark reality that little of what he hopes to accomplish in a second term will likely come to pass. Mr. Obama occupies an office that many assume to be all powerful, but like so many of his recent predecessors, the president knows better. He faces a political capital problem and a power trap.¶ In the post-1960s American political system, presidents have found the exercise of effective leadership a difficult task. To lead well, a president needs support — or at least permission — from federal courts and Congress; steady allegiance from public opinion and fellow partisans in the electorate; backing from powerful, entrenched interest groups; and accordance with contemporary public opinion about the proper size and scope of government. This is a long list of requirements. If presidents fail to satisfy these requirements, they face the prospect of inadequate political support or political capital to back their power assertions.¶ What was so crucial about the 1960s? We can trace so much of what defines contemporary politics to trends that emerged then. Americans' confidence in government began a precipitous decline as the tumult and tragedies of the 1960s gave way to the scandals and economic uncertainties of the 1970s. Long-standing party coalitions began to fray as the New Deal coalition, which had elected Franklin Roosevelt to four terms and made Democrats the indisputable majority party, faded into history. The election of Richard Nixon in 1968 marked the beginning of an unprecedented era of divided government. Finally, the two parties began ideologically divergent journeys that resulted in intense polarization in Congress, diminishing the possibility of bipartisan compromise. These changes, combined with the growing influence of money and interest groups and the steady "thickening" of the federal bureaucracy, introduced significant challenges to presidential leadership.¶ Political capital can best be understood as a combination of the president's party support in Congress, public approval of his job performance, and the president's electoral victory margin. The components of political capital are central to the fate of presidencies. It is difficult to claim warrants for leadership in an era when job approval, congressional support and partisan affiliation provide less backing for a president than in times past. In recent years, presidents' political capital has shrunk while their power assertions have grown, making the president a volatile player in the national political system.¶ Jimmy Carter and George H.W. Bush joined the small ranks of incumbents defeated while seeking a second term. Ronald Reagan was elected in two landslides, yet his most successful year for domestic policy was his first year in office. Bill Clinton was twice elected by a comfortable margin, but with less than majority support, and despite a strong economy during his second term, his greatest legislative successes came during his first year with the passage of a controversial but crucial budget bill, the Family and Medical Leave Act, and the North American Free Trade Agreement. George W. Bush won election in 2000 having lost the popular vote, and though his impact on national security policy after the Sept. 11 attacks was far reaching, his greatest domestic policy successes came during 2001. Ambitious plans for Social Security reform, following his narrow re-election in 2004, went nowhere.¶ Faced with obstacles to successful leadership, recent presidents have come to rely more on their formal powers. The number of important executive orders has increased significantly since the 1960s, as have the issuance of presidential signing statements. Both are used by presidents in an attempt to shape and direct policy on their terms. Presidents have had to rely more on recess appointments as well, appointing individuals to important positions during a congressional recess (even a weekend recess) to avoid delays and obstruction often encountered in the Senate. Such power assertions typically elicit close media scrutiny and often further erode political capital.¶ Barack Obama's election in 2008 seemed to signal a change. Mr. Obama's popular vote majority was the largest for any president since 1988, and he was the first Democrat to clear the 50 percent mark since Lyndon Johnson. The president initially enjoyed strong public approval and, with a Democratic Congress, was able to produce an impressive string of legislative accomplishments during his first year and early into his second, capped by enactment of the Patient Protection and Affordable Care Act. But with each legislative battle and success, his political capital waned. His impressive successes with Congress in 2009 and 2010 were accompanied by a shift in the public mood against him, evident in the rise of the tea party movement, the collapse in his approval rating, and the large GOP gains in the 2010 elections, which brought a return to divided government.¶ By mid-2011, Mr. Obama's job approval had slipped well below its initial levels, and Congress was proving increasingly intransigent. In the face of declining public support and rising congressional opposition, Mr. Obama, like his predecessors, looked to the energetic use of executive power. In 2012, the president relied on executive discretion and legal ambiguity to allow homeowners to more easily refinance federally backed mortgages, to help veterans find employment and to make it easier for college graduates to consolidate federal student loan debt. He issued several executive orders effecting change in the nation's enforcement of existing immigration laws. He used an executive order to authorize the Department of Education to grant states waivers from the requirements of the No Child Left Behind Act — though the enacting legislation makes no accommodation for such waivers. Contrary to the outcry from partisan opponents, Mr. Obama's actions were hardly unprecedented or imperial. Rather, they represented a rather typical power assertion from a contemporary president.¶ Many looked to the 2012 election as a means to break present trends. But Barack Obama's narrow re-election victory, coupled with the re-election of a somewhat-diminished Republican majority House and Democratic majority Senate, hardly signals a grand resurgence of his political capital. The president's recent issuance of multiple executive orders to deal with the issue of gun violence is further evidence of his power trap. Faced with the likelihood of legislative defeat in Congress, the president must rely on claims of unilateral power. But such claims are not without limit or cost and will likely further erode his political capital.¶ Only by solving the problem of political capital is a president likely to avoid a power trap. Presidents in recent years have been unable to prevent their political capital from eroding. When it did, their power assertions often got them into further political trouble. Through leveraging public support, presidents have at times been able to overcome contemporary leadership challenges by adopting as their own issues that the public already supports. Bill Clinton's centrist "triangulation" and George W. Bush's careful issue selection early in his presidency allowed them to secure important policy changes — in Mr. Clinton's case, welfare reform and budget balance, in Mr. Bush's tax cuts and education reform — that at the time received popular approval.¶ However, short-term legislative strategies may win policy success for a president but do not serve as an antidote to declining political capital over time, as the difficult final years of both the Bill Clinton and George W. Bush presidencies demonstrate. None of Barack Obama's recent predecessors solved the political capital problem or avoided the power trap. It is the central political challenge confronted by modern presidents and one that will likely weigh heavily on the current president's mind today as he takes his second oath of office.

#### Prefer our evidence Winners win is wrong but PC theory is correct

Jackie Calmes, "In Debt Talks, Obama Is Ready to Go Beyond Beltway," NEW YORK TIMES, 11--12--12, LN.

That story line, stoked by Republicans but shared by some Democrats, holds that Mr. Obama is too passive and deferential to Congress, a legislative naïf who does little to nurture personal relationships with potential allies - in short, not a particularly strong leader. Even as voters re-elected Mr. Obama, those who said in surveys afterward that strong leadership was the most important quality for a president overwhelmingly chose Mr. Romney. George C. Edwards III, a leading scholar of the presidency at Texas A & M University who is currently teaching at Oxford University, dismissed such criticisms as shallow and generally wrong. Yet Mr. Edwards, whose book on Mr. Obama's presidency is titled "Overreach," said, "He didn't understand the limits of what he could do." "They thought they could continuously create opportunities and they would succeed, and then there would be more success and more success, and we'd build this advancing-tide theory of legislation," Mr. Edwards said. "And that was very naïve, very silly. Well, they've learned a lot, I think." "Effective leaders," he added, "exploit opportunities rather than create them." The budget showdown is an opportunity. But like many, it holds risks as well as potential rewards. "This election is the second chance to be what he promised in 2008, and that is to break the gridlock in Washington," said Kenneth M. Duberstein, a Reagan White House chief of staff, who voted for Mr. Obama in 2008 and later expressed disappointment. "But it seems like this is a replay of 2009 and 2010, when he had huge majorities in the House and Senate, rather than recognizing that 'we've got to figure out ways to work together and it's not just what I want.' " For now, at least, Republican lawmakers say they may be open to raising the tax bill for some earners. "We can increase revenue without increasing the tax rates on anybody in this country," said Representative Tom Price, Republican of Georgia and a leader of House conservatives, on "Fox News Sunday." "We can lower the rates, broaden the base, close the loopholes." The challenge for Mr. Obama is to use his postelection leverage to persuade Republicans - or to help Speaker John A. Boehner persuade Republicans - that a tax compromise is in their party's political interest since most Americans favor compromise and higher taxes on the wealthy to reduce annual deficits. Some of the business leaders the president will meet with on Wednesday are members of the new Fix the Debt coalition, which has raised about $40 million to urge lawmakers and their constituents to support a plan that combines spending cuts with new revenue. That session will follow Mr. Obama's meeting with labor leaders on Tuesday. His first trip outside Washington to engage the public will come after Thanksgiving, since Mr. Obama is scheduled to leave next weekend on a diplomatic trip to Asia. Travel plans are still sketchy, partly because his December calendar is full of the traditional holiday parties. Democrats said the White House's strategy of focusing both inside and outside of Washington was smart. "You want to avoid getting sucked into the Beltway inside-baseball games," said Joel Johnson, a former adviser in the Clinton White House and the Senate. "You can still work toward solutions, but make sure you get out of Washington while you are doing that." The president must use his leverage soon, some Democrats added, because it could quickly wane as Republicans look to the 2014 midterm elections, when the opposition typically takes seats from the president's party in Congress.

## AT Link N/U Ocean Policy Now

#### Those recent policies prove Obama will lose PC

Eilperin 6/17 – the House of Representatives reporter, she covered the environment for the national desk, reporting on science, policy and politics in areas including climate change, oceans, and air quality

(Juliet, 6/17/2014, “Obama proposes vast expansion of Pacific Ocean sanctuaries for marine life”, http://www.washingtonpost.com/politics/obama-will-propose-vast-expansion-of-pacific-ocean-marine-sanctuary/2014/06/16/f8689972-f0c6-11e3-bf76-447a5df6411f\_story.html)//spark

President Obama announced Tuesday his intent to make a broad swath of the central Pacific Ocean off-limits to fishing, energy exploration and other activities. The proposal, slated to go into effect later this year after a comment period, could create the world’s largest marine sanctuary and double the area of ocean globally that is fully protected. “I’m going to use my authority to protect some of our nation’s most precious marine landscapes,” Obama said in a video to participants at a State Department conference, adding that while the ocean is being degraded, “We cannot afford to let that happen. That’s why the United States is leading the fight to protect our oceans.” The announcement — first reported earlier Tuesday by The Washington Post — is part of a broader push on maritime issues by an administration that has generally favored other environmental priorities. The oceans effort, led by Secretary of State John F. Kerry and White House counselor John D. Podesta, is likely to spark a new political battle with Republicans over the scope of Obama’s executive powers. The president will also direct federal agencies to develop a comprehensive program aimed at combating seafood fraud and the global black-market fish trade. In addition, the administration finalized a rule last week allowing the public to nominate new marine sanctuaries off U.S. coasts and in the Great Lakes. Expanding a marine monument? Obama has used his executive authority 11 times to safeguard areas on land, but scientists and activists have been pressing him to do the same for untouched underwater regions. President George W. Bush holds the record for creating U.S. marine monuments, declaring four during his second term, including the one that Obama plans to expand. Under the proposal, according to two independent analyses, the Pacific Remote Islands Marine National Monument would be expanded from almost 87,000 square miles to nearly 782,000 square miles — all of it adjacent to seven islands and atolls controlled by the United States. The designation would include waters up to 200 nautical miles offshore from the territories. “It’s the closest thing I’ve seen to the pristine ocean,” said Enric Sala, a National Geographic explorer-in-residence who has researched the area’s reefs and atolls since 2005. Obama has faced criticism from a variety of groups — including cattle ranchers, law enforcement officers and ATV enthusiasts — over his expansion of protections for federal lands. The ocean area under consideration, by contrast, encompasses uninhabited islands in a remote region with sparse economic activity.

#### Those past “popular” policies were still controversial

Conathon 12 – the Director of Ocean Policy at American Progress

(Michael, 4/13/12 “Fish on Fridays: Sensible Ocean Policy Falling Victim to Political Games”, http://americanprogress.org/issues/green/news/2012/04/13/11433/fish-on-fridays-sensible-ocean-policy-falling-victim-to-political-games/)//spark

Even in the bitterest partisan times, ocean issues tend to exist outside the traditional political boxing ring. They usually foster alliances based far more on geography than on party affiliation. Members who represent coastal states and districts usually recognize the value of sustaining and investing in our valuable ocean resources, and they prioritize them more than their inland counterparts. But in recent months the escalation of rancor and polarization encompassed even the normally temperate issue of ocean policy. Nowhere is this tone more prevalent that in the House Committee on Natural Resources, where Republicans have made President Barack Obama’s National Ocean Policy public enemy number one. Ever since its roll-out, the policy—implemented by an executive order in 2010 to provide a comprehensive set of guiding principles for the “stewardship of the ocean, our coasts, and the Great Lakes”—has been taking fire from opponents who cite it as an overreach that would spawn “job-killing regulations,” according to Rep. Doc Hastings (R-WA) and would mean the “death of all land-use planning” in this country, in the words of Rep. Tom McClintock (R-CA). Leaving aside the inherent contradiction espoused by Rep. McClintock—that the National Ocean Policy’s nefarious efforts to develop a framework for the great evil of ocean-use planning would in turn kill the wonderful benefits of land-use planning—boiling these statements down to their roots leaves little more than bald political rhetoric. In practice, the policy will improve scientific management and will help safeguard the commercial and recreational fishing industries—some of the most fundamental drivers of our ocean economy. Rep. Hastings, who chairs the Committee on Natural Resources, and Rep. McClintock both hail from coastal states, yet neither of the regions they represent in Congress actually touch the Pacific Ocean. Still, the rivers that run through their districts ultimately terminate in the sea, and new findings are proving regularly what we already knew—what enters those rivers flushes into the ocean and directly affects all facets of marine life, including our fisheries. Rep. Hastings has held multiple hearings about the National Ocean Policy in his committee this year, repeatedly questioning administration officials, scientists, industry members, and advocates about what he sees as an authoritarian overreach and a prime example of the regulatory stranglehold the Obama administration is putting on America’s economic growth. (In the interest of full disclosure, I testified before Rep. Hastings’s Committee on October 29, 2011.) On April 2 Rep. Hastings sent a letter to his colleagues in the House Appropriations Committee—the holders of the congressional purse strings—asking them to “prohibit the use of funds for the implementation of the National Ocean Policy.” On the whole, many fishing industry groups, including the regional fishery management councils tasked with developing fishery management plans, have expressed concern over the policy since its inception because they feared their voices would not be heard during the development of specific policy recommendations. Since the initial proposal was announced, the administration has taken steps to alleviate those concerns, including formally incorporating the councils in regional planning efforts. Despite these improvements, Rep. Hastings has been joined in his effort to defund the policy by a coalition of ocean and inland industry groups, including commercial and recreational fishing organizations. In their letter the groups call out potential benefits of a national ocean policy “designed to stimulate job creation and economic growth while conserving the natural resources and marine habitat of our oceans and coastal regions.” Then, in the next sentence, they contradict this desire by calling for a “pause in implementation” of President Obama’s ocean policy, which explicitly shares those goals. In this letter Rep. Hastings also says the policy is “especially alarming” because it “stretches far inland following rivers and their tributaries upstream for hundreds of miles.” But of course it stretches upstream! There is no impermeable layer dividing salt water from fresh. This is a fundamental reason why we need the policy in the first place. In fact, the policy is designed specifically to ensure adequate and efficient coordination between the agencies responsible for inland activities that affect ocean resources and the agencies that oversee the ocean activities themselves. The news this week provided specific examples of why such coordination is necessary. Pesticide use was found to affect Pacific salmon populations, and ocean acidification was proven to stunt oyster growth. These may seem like obvious conclusions to draw, but they both exemplify the difficulty in differentiating between oceans and lands. Similar to the estuarine boundary between salt water and fresh (how salty can fresh water be before it becomes seawater?) our jurisdictional boundaries are equally nebulous. President Obama famously (if incorrectly) noted this blurring of the lines during his 2011 State of the Union address when he famously poked fun at the government’s management of salmon. “The Interior Department handles salmon when they’re in freshwater, but the Commerce Department handles them in saltwater. And I hear it gets even more complicated once they’re smoked,” he quipped to polite laughter in the House chamber and rolling echoes of punditry in the days after the speech. The reality of salmon management is far more sensible. The Commerce Department’s National Oceanic and Atmospheric Administration is actually responsible for salmon species management throughout their range, though the Department of the Interior’s Fish and Wildlife Service does manage some salmon habitat programs. Yet the point remains that what happens upstream in salmon runs can have a dramatic effect on the survival of one of the most valuable fisheries in the country. Thus it makes a great deal of sense that we should coordinate efforts across federal agencies to manage issues that transcend traditional boundaries. For example: If pesticides make life more difficult for salmon, then the pesticide regulators should be talking to the fisheries biologists to figure out how to minimize that impact. This is precisely the kind of interagency collaboration the National Ocean Policy is designed to facilitate. Further, Hastings’s efforts to defund the policy’s recommendations not only would prevent government operations from becoming more efficient by collaborating across traditional agency boundaries but could also have devastating ramifications for the day-to-day programs that improve fishery management and make life better for fishermen. Cutting funding as Rep. Hastings has requested risks eliminating funding for many of the National Oceanic and Atmospheric Administration’s existing programs that fishermen rely on or that could greatly enhance the understanding of what factors other than fishing pressure are causing fish stocks to decline and prevent their rebuilding. Specifically, the National Ocean Policy’s Draft Implementation Plan calls for: Sustaining ocean observing systems that provide critical data for fishery stock assessments Conducting research on what stressors (habitat degradation, pollution, global climate change, etc.) affect fish stocks other than fishing mortality Prioritizing a National Shellfish Initiative to investigate potential ecosystem and economic benefits of shellfish aquaculture Identifying key ecosystem protection areas to enhance the quality of habitat that provides sanctuary and nurseries for the “more than half of all fish caught in US waters [that] depend on the estuaries and coastal wetlands at some point in their life cycles” Understanding and combatting hypoxia (lack of oxygen) caused by polluted runoff from rivers and streams that can lead to massive fish kills, harmful algal blooms, and other phenomena that adversely affect fish populations These programs are not new, and administration officials have been abundantly clear in their testimony before Congress and, in some cases, in the face of withering interrogation, that the National Ocean Policy does not create any new regulations for how we use our ocean space. Healthy oceans and coasts are among the strongest economic drivers and most valuable resources our nation possesses. The National Ocean Policy recognizes this fact and sets forth a proactive framework to streamline government involvement, eliminate duplication of effort, and ensure taxpayers get more value for their dollars—exactly what small government Republicans claim they want. Maybe next time we should get Rep. Paul Ryan (R-WI) to propose it.

## Ex-Im Good

### Airline

#### Failure to reauthorize dooms US Airline industry

Memoli and Puzzanghera 6/24

Michael A. Memoli has worked in the Los Angeles Times’ Washington, D.C., bureau since 2010, and now spends most of his time in the halls of the Capitol covering Congress.Jim Puzzanghera writes about business and economic issues from the Times’ Washington, D.C., bureau. “Shift in GOP leadership leaves Export-Import Bank at risk of closing” http://www.latimes.com/business/la-fi-export-import-bank-20140625-story.html#page=1

Boeing said it would be at a competitive disadvantage without the bank because its main competitor, Airbus Group in Leiden, the Netherlands, has the support of export finance agencies in France, Germany and Britain.¶ "The airplane market is highly competitive, and every deal is won or lost by the slightest of margins," said Boeing spokesman John Kvasnosky. "Any uncertainty in financing availability could unnecessarily tilt the field against Boeing, putting thousands of manufacturing jobs at risk."

#### Boeing is key to restoring US aviation leadership—which is independently key to the US economy

Crandall 8

Robert, Former Chairman and CEO of American Airlines, @ the Carmichael Conference, "Text of Major Address by Robert Crandall,former Chairman and CEO of American AirlinesTo the Carmichael Conference, St. Louis", http://www.nationalcorridors.org/conferencearchive/conf0108-02.shtml

Thus, while most who opposed deregulation would acknowledge that competitive freedom has brought many benefits to an industry that certainly needed changing, I am sure many would share with me some sense of vindication from the headlines and stories so frequent in today’s press. Consider these few examples: During the first nine months of 2007, the airline industry lost – at least temporarily – one of every 138 checked bags, as compared to one of every 155 the year before and far fewer ten years ago. At one of our leading airlines, the number of involuntarily bumped passengers – that is, people denied boarding despite having a reservation – rose by 50% in the summer of 2007 as compared to the summer of 2006. Industry wide, involuntary bumping was 22% worse than last summer. Airline on-time arrivals have fallen to less than 75%, and the number of delayed flights has risen by more than 600,000 from ten years ago. At some major airports – particularly Kennedy and Laguardia – the numbers are far worse On November 25, an article in the New York Times proclaimed “flying … has become an increasingly miserable experience. Legroom is practically nonexistent. Passengers are more tightly packed together. Hot meals have been eliminated. Ditto pillows and blankets. All of which has created a generation of fliers who now view getting on a plane as roughly akin to entering the ninth circle of hell. And finally, and in the long run most importantly, U.S. Aviation leadership is a thing of the past. While both Boeing and airbus are building and selling lots of new planes, the fleets of the major U.S. Carriers are growing steadily older. It has been many years since any U.S. Airline has warranted a place on any list of the world’s best airlines. The industry’s impact on our collective well-being is profound. Numerous studies have shown that aviation accounts for more than a trillion dollars – 10% plus – of our GDP and drives about 11 million jobs. Taken together with the economic implications of inadequate rail and highway structures, these numbers imply ever-deepening troubles ahead.

#### Aviation leadership is key to the economy

Douglass 6

John W., CEO and President of the Aerospace Industries Association of America, in front of Senate Appropriations Committee, www.ieeeusa.org/policy/POLICY/2006/071106b.pdf

Maintaining U.S. aviation leadership is critical to our nation's economic health. Aerospace provides our nation's largest trade surplus ($40 billion in 2005) and employs more than 612,000 workers across the U.S. We need to recognize the importance of this industry to our national economy by placing renewed emphasis on aeronautics research at NASA.

#### Airline industry is crucial to the US economy

Cambell 6 – Hill, CAMBELL 06, The Campbell Hill Aviation Group, Aviation and Research Consultants, “CommercialAviation and the American Economy,” March 2006,

<http://www.smartskies.org/NR/rdonlyres/E20C3048-9FD4-46D8-91F1-6303C4148C5A/0/CommercialAviationEconomyMar06.pdf>

The U.S. civil aviation sector (including air transportation, related manufacturing and air-based travel and tourism) wascollectively responsible for $1.37 trillion of national output in 2004, supporting 812.3 million U.S. employees and $418billion in personal earnings. Commercial aviation accounts for the majority of this impact with $1.2 trillion in output,$380 billion in earnings and 11.4 million jobs. U.S. Civil Aviation Economic Impact (2004) Commercial AviationGeneral Aviation Total Output (Billion $) 1,247 118 1,365 Earnings (Billion $) 380 38 418 Employment (000)11,393 956 12,349 The national economy is highly dependent on commercial aviation, which, in 2004, was directly orindirectly responsible for 5.8 percent of gross output (i.e., economic activity), 5.0 percent of personal earnings and 8.8percent of national employment. Commercial Aviation Impact as Share of U.S. Economy (2004) 8.8% 5.0% 5.8% Employment Personal Earnings Gross OutputThe direct impact of commercial air transportation and related industries in 2004 was estimated at $247 billion in gross output, $72 billion in earnings and over a million jobs.Commercial air transportation was the primary source of direct impacts, with $130 billion of output, followed by aircraft and related manufacturing ($75 billion), air expresscouriers ($24 billion) and air transportation support goods and services ($18 billion).The indirect impact of expenditures by commercial air travelers creates an additional $191billion of gross output, $67 billion of earnings and 3.3 million jobs. The lodging and food industries account for more than half of the total output impact, with retail shopping,recreation and entertainment and ground transportation spending also top-impact sectors. The direct and indirect impacts of commercial aviation generate additional “induced”impacts as industry revenues and employee earnings are used to purchase goods and services from other industries. The service sector accounts for nearly half of the $1.25 trillionin total national impact, both through travel and tourism services and support to both direct and indirect impact industries. 1 The total impact of commercial aviation is comparedto national aggregates of Gross Output and Personal Earnings (from the Bureau of Economic Accounts) and Total Covered Employment (from the Bureau of Labor Statistics) for the 50 states and the District of Columbia combined. Commercial Aviation Total Impacts = $1.25 Trillion of U.S. Economic Activity Transportation & Warehousing 18%Manufacturing 20% Services 47% Trade 11% All Other 4% The distribution of national impacts by state was determined by the location of airports, tourist destinations, businesstravel centers and aviation-related manufacturing plants, as well as the location of industries supporting the direct and indirect impact industries. California was the top-impactstate, with $203 billion of gross output impacts, followed by Texas, Florida, Georgia and New York. Top Five States in Total Impact (Billion $) $202.6 $126.9 $93.6 $72.7 $59.5California Texas Florida Georgia New York The distribution of impacts by congressional district was similarly based on local industrial patterns, with the top districts being either tourist destinations (Hawaii and Las Vegas area) or top aviation manufacturing centers (Western Washington). Top Five Congressional Districts in Total Impact (Billion $) $9.6$8.9 $8.7 $8.2 $7.8 District 1, Hawaii District 2, Hawaii District 3, Nevada District 8, Washington District 1, Nevada ii Introduction This report summarizes the estimated impactof commercial aviation on individual U.S congressional districts in 2004. The impact estimates are based on a model that allocates national and state-level impacts derived usingsecondary economic and transportation data sources of the federal government.[2](http://64.233.167.104/search?q=cache:0KSC4Ou2RWAJ:www.smartskies.org/NR/rdonlyres/E20C3048-9FD4-46D8-91F1-6303C4148C5A/0/CommercialAviationEconomyMar06.pdf+%22commercial+aviation+and+the+american+economy%22&hl=en&ct=clnk&cd=1&gl=us&client=firefox-a#7)The district-level estimates use Census of Population employment data for 2000 as allocated tothe 109 th congressional districts. The following describes the general concepts and methodologies used to measure the economic impact of the U.S. civil aviation sector, and provides summary results at the national, state and district level. Appendix A provides a detailed description of the impact methodologies. Appendices B and C summarize theresults at the state and congressional district levels, respectively. National Economic Impact of U.S. Civil Aviation The economic impact of any particular industry sector can bemeasured by the output, earnings and employment associated with that sector, plus any “induced” (or supporting) economic activity that results from any purchases made by thatsector’s firms and its employees. Total economic impacts of an industry combine both the first-level impacts (as related to the industry’s sales, revenue or output) and inducedimpacts (as related to purchases required to “produce” the sales or output and household spending by the industry’s employees). Civil aviation is a vital component of the U.S. passenger and cargo transportation sector and combines commercial and general aviation activities. The air transportation sector supports the travel and tourism industries, and issupported by the aircraft manufacturing sector. Each of these sectors also requires supporting goods, services and labor. The relative impact of civil aviation depends both on theabsolute demand for the output from these sectors, as well as the interdependence between those sectors and other U.S. industries. The primary impacts of commercial aviationon the U.S. economy are related to: (1) airlines and supporting services (commercial and non-commercial) (2) aircraft, engines and parts manufacturing (3) air-visitor travel andother trip-related expenditures The first two sectors (air transportation and aircraft manufacturing) create direct impacts through the production of air transportation services; thevisitor-related expenditures constitute an indirect impact that results from the primary transport activity. All of these sectors are directly affected andsupported by the U.S. civil aviation system, consisting of airports, airspace and supporting infrastructure. Directimpacts of civil aviation are created through transportation and other activities at airports as measured by theemployment, payroll and sales/output associated with the following industries/entities: Scheduled and non-scheduledcommercial airlines (passenger and cargo) and air couriers Airport and aircraft service providers (including FAA andother government services) Air cargo service providers General aviation (non-commercial) aircraft operators(including flight schools) 2 These results were based on methodologies similar to those developed in previous nationalimpact studies by the Federal Aviation Administration and other industry groups. [continues]The induced impacts of commercial aviation in 2004 are estimated at $808 billion in output, $241 billion in earnings and 7.0 million jobs. Mostof these induced impacts are attributed to the service sector, with the manufacturing and trade sectors also significantlyimpacted [continues] The commercial aviation sector has a significant impact on the U.S. economy, based on airtransportation and airport services, manufacturing of air transportation equipment and travel and tourism expendituresby air passengers. Including induced impacts, the U.S. commercial aviation sector drove $1.2 trillion in economicactivity (5.8 percent of U.S. total), $380 billion in earnings (5.0 percent) and 11.4 million jobs (8.8 percent).[14](http://64.233.167.104/search?q=cache:0KSC4Ou2RWAJ:www.smartskies.org/NR/rdonlyres/E20C3048-9FD4-46D8-91F1-6303C4148C5A/0/CommercialAviationEconomyMar06.pdf+%22commercial+aviation+and+the+american+economy%22&hl=en&ct=clnk&cd=1&gl=us&client=firefox-a#15)Thedirect impact of commercial air transportation and related industries was estimated at $247 billion in gross output, $72billion in earnings and over one million jobs, with commercial air transportation accounting for approximately half of the output impact. Commercial air-traveler expenditures created indirect impacts including $191 billion of gross output,$67 billion of earnings and 3.3 million jobs, mostly for the accommodations and food service sectors. The nationalimpact of commercial aviation extends to every congressional district and the District of Columbia. California was thetop-impact state, with $203 billion of gross output impacts followed by Texas, Florida, Georgia and New York. The top congressional districts are either major tourist destinations (Hawaii and Las Vegas area) or top aviation-manufacturingcenters (Western Washington), although every district has a significant level of impact.

#### Airlines makes up the largest sector of economy

Kelly 8 – Gary, KELLY 08, Chief Executive Officer of Southwest Airlines, CEOpinion: Airline Inudstry Very Fuel-Efficient, <http://www.thecro.com/node/620>

The problem of greenhouse gas (GHG) emissions and the resulting climate change is one that faces all of us—as individuals, but also as corporations. The backbone of the aviation industry is helping individuals go, see and do in a time-effective manner. If we don’t address the problem of GHG emissions, there will not be natural places to go, a world to see or things to do. We, as an industry, are highly motivated to preserve the natural world around us. Southwest Airlines and the entire airline industry have a great story to tell about improving fuel efficiency and reducing GHG emissions. Compared to other industries, and even other modes of transportation, the airline industry is incredibly fuel-efficient and continues to improve efficiency with investments in new technology and by adopting new operational procedures. We are driven to be as fuel efficient as possible because, not only is it the right thing to do, frankly, it’s good business. Fuel accounts for an incredibly large portion of any airline’s operating costs. And thus, we have every reason in the world to be as fuel (and carbon) efficient as possible. We are constantly searching for ways to reduce our fuel costs. When we reduce our fuel consumption, we help both the environment and our bottom line. Any government solution to climate change should leverage this economic reality. According to a recent study, “Commercial Aviation and the American Economy,” the airline industry, which includes both passenger and cargo carriers, is a major driver of economic activity, especially in the United States, where the airline industry is directly responsible for 5.8 percent of gross economic output and 8.8 percent of national employment. Despite our role in being a major generator of economic activity, airlines account for only about 2 percent of GHG emissions in the United States and 3 percent worldwide. Again, the airline industry delivers more value to the economy while maintaining a low carbon footprint because we are constantly improving our fuel efficiency. The industry has already contributed to the reduction of emissions through technology and efficiency. The industry has improved its fuel efficiency—and hence GHG efficiency—by 103 percent between 1978 and 2006.

### Competitiveness

#### Export credit is NECESSARY to secure US competitiveness

ITIF 12

Information Technology & Innovation Foundation “The Export-Import Bank Works For America: Responses to 18 Arguments for Cutting Ex-Im’s Authorization” INNOVATION FACT SHEET: EX-IM BANK, 2012, http://www2.itif.org/2012-ex-im-bank.pdf

The United States is falling behind in global economic competition, with the result being lost jobs and a rising trade deficit. One reason for this fall is that international trade has become much more competitive. U.S. enterprises are up against formidable competitors, many of them receiving significant support from their governments as they seek to win in the race for economic advantage and the jobs that go with it.¶ One key factor in this competitive race is export financing. Foreign competitors enjoy substantial and growing support from their countries’ export credit agencies (ECAs). Indeed, many of the United States’ strongest international trade competitors invest significantly more in export credit assistance as a share of both GDP and exports than the United States does. With the temporary reauthorization of the U.S. Export-Import (Ex-Im) Bank set to expire on May 31, 2012 and as the U.S. Congress looks to reauthorize the Bank for a new five-year term, some free-market or libertarian organizations (e.g., Cato Institute, Club for Growth, Citizens for Limited Government, etc.) have been arguing against reauthorization, making a number of claims about why Ex-Im is not needed. Most of these arguments are not grounded in analysis, but rather are ideological in nature, based on faulty theories and assumptions about markets, globalization, competitiveness and trade. Here is a brief list of the common arguments made by Ex-Im opponents and why they are wrong.

#### Reauthorization now is critical to maintain US competitiveness

ITIF 12

Information Technology & Innovation Foundation “The Export-Import Bank Works For America: Responses to 18 Arguments for Cutting Ex-Im’s Authorization” INNOVATION FACT SHEET: EX-IM BANK, 2012, http://www2.itif.org/2012-ex-im-bank.pdf

18) “Government export finance assistance programs may largely shift production among sectors within the economy rather than raise the overall level of employment in the economy.”22 First of all, sectors matter (See #3 and #10.) Second, timing matters. As Keynes famously stated, “in the long run we are all dead.” That statement is true but it has long given economists an easy out on weighing in on the short and medium term realities. In the world of reality, loss of export competitiveness does have macroeconomic employment impacts at least for the short and medium-term. It should be no surprise that in a decade when the United States lost one-third of its manufacturing jobs (the 2000s) that there was no net new job growth. The two are related. In fact, of 10 countries examined by the Bureau of Labor Statistics, there was a 0.57 correlation between change in manufacturing employment and overall growth of jobs. Moreover, even if Ex-Im financing helped companies export and this had no effect on the overall number of jobs (which is wrong), it does have an effect on the composition of jobs, leading to more higher-value-added, higher-wage jobs. Conclusion Having a strong export economy is critical to the performance of the U.S. economy. Competition from foreign export credit agencies is not abating—in fact it is increasing. The stakes to our nation’s economic future are too high to let this critical debate over Ex-Im be determined on the basis of ideology about the proper role of government. It is clearly the proper role of government to help U.S. businesses win the fight they are in for global competitive advantage. As such, Congress should reauthorize the U.S. Export-Import Bank.

#### Ex-Im bank key to growth and competiveness

Mulvaney 6/27

Sean Mulvaney, member of board of director of Ex-Im bank and served as director of Economic Policy Program at the German Marshall Fund of the United States, “Enabling Export Credit to Support Growth: The Role of the Export-Import Bank of the United States”, http://insurancenewsnet.com/oarticle/2014/06/27/enabling-export-credit-to-support-growth-the-role-of-the-export-import-bank-of--a-523467.html#.U6-WMfldX9M //SQR

US trade with the rest of the world, whether through exports or imports, is an essential thread woven throughout the fabric of the US economy. Such trade is a key source of growth and competitiveness for the American companies as well as of boosting the quality of life for American citizens. Going forward, a critical task for the United States is how we leverage the prosperity beyond our borders into more growth and prosperity here at home. It will not simply just happen. Moreover, it will not be the responsibility of just a few large US companies. Increasingly, US small and medium sized enterprises (typically companies with 500 employees or less) need to engage in international trade. With 95% of the world's consumers living outside our borders, more US companies must look abroad. Of the US's 30 million companies, only 1%, or 280,000 companies, export and of those, 58% export to only one market. To engage successfully in cross-border trade, US companies must: \* Develop cross-cultural skill sets in sales, marketing and customer service. \* Learn how to transport goods efficiently around the world. \* Acquire more knowledge of the various methods for receiving foreign payment or extending credit internationally. How Can NACM/FCIB Members Leverage the Export-Import Bank for Overseas Sales? In the areas of preand post-export finance, the ExportImport Bank of the United States (Ex-Im) can play a support role to US exporters. Guided by specific parameters as authorized by Congress and the President, Ex-Im can help US companies secure working capital, mitigate foreign buyer payment risk or provide assistance to facilitate credit to foreign buyers. For many US exporters, this assistance can make a difference. When asked about the largest obstacle when selling overseas, 41% of US exporters worry about getting paid, according to a 2013 survey conducted by the National Small Business Association and the Small Business Exporters Association. As some readers may know, Ex-Im is the official export credit agency of the US government. The agency is selfsustaining, meaning it does not require a taxpayer appropriation of resources. Fees are charged to cover its administrative and program expenses. Reserves are set aside to cover losses should Ex-Im incur a default on its credit activities. As it implements its programs, Ex-Im aims to supplement and not compete with private sector trade finance. For 80 years, Ex-Im's mission has been to support US exports and US jobs. The Bank's purpose is twofold. First, the Bank seeks to ensure a level playing field for US exports in the global marketplace by attempting to make sure that buyer decisions are based on price and quality, not state-sponsored financing. Approximately 60 countries around the world have official export credit agencies that operate with the intent of supporting their national exporters and exports. Without Ex-Im, US exporters would not have a defensive tool to combat foreign ECA supported competition.

### Economy

#### Failure to reauthorize wrecks the economy – depresses dollar, decreases exports, and cuts high wage jobs

ITIF 12

Information Technology & Innovation Foundation “The Export-Import Bank Works For America: Responses to 18 Arguments for Cutting Ex-Im’s Authorization” INNOVATION FACT SHEET: EX-IM BANK, 2012, http://www2.itif.org/2012-ex-im-bank.pdf

6) Our Congressional Scorecard for the 112th Congress provides a comprehensive rating of how well or how poorly each Member of Congress supports pro-growth, free-market policies, and will be distributed to our members and to the public.6¶ While shutting down Ex-Im may be a “free-market policy” it is not a “pro-growth policy” since it will lead to fewer exports, a lower value of the dollar (meaning lower purchasing power for U.S. consumers) and lower-wage jobs. This is in part because jobs in exporting industries pay more than other jobs in non-exporting industries. Free market and pro-growth are not always synonymous (see #4.)¶ And in fact, when the term “free market” is bandied about without acknowledging that global markets aren’t idyllically “free,” bur rather that they are readily characterized by the intentionally distortive mercantilist policies of foreign governments (not to mention the legitimate policies countries undertake to support their enterprises) then not only is a blindly “free market policy” not a “pro-growth policy,” it is a sure-fire recipe for the U.S. losing exports, market share, and employment in key traded sector industries.

#### The macroeconomic implications are significant and the impact timeframe is short

ITIF 12

Information Technology & Innovation Foundation “The Export-Import Bank Works For America: Responses to 18 Arguments for Cutting Ex-Im’s Authorization” INNOVATION FACT SHEET: EX-IM BANK, 2012, http://www2.itif.org/2012-ex-im-bank.pdf

18) “Government export finance assistance programs may largely shift production among sectors within the economy rather than raise the overall level of employment in the economy.”22 First of all, sectors matter (See #3 and #10.) Second, timing matters. As Keynes famously stated, “in the long run we are all dead.” That statement is true but it has long given economists an easy out on weighing in on the short and medium term realities. In the world of reality, loss of export competitiveness does have macroeconomic employment impacts at least for the short and medium-term. It should be no surprise that in a decade when the United States lost one-third of its manufacturing jobs (the 2000s) that there was no net new job growth. The two are related. In fact, of 10 countries examined by the Bureau of Labor Statistics, there was a 0.57 correlation between change in manufacturing employment and overall growth of jobs. Moreover, even if Ex-Im financing helped companies export and this had no effect on the overall number of jobs (which is wrong), it does have an effect on the composition of jobs, leading to more higher-value-added, higher-wage jobs. Conclusion Having a strong export economy is critical to the performance of the U.S. economy. Competition from foreign export credit agencies is not abating—in fact it is increasing. The stakes to our nation’s economic future are too high to let this critical debate over Ex-Im be determined on the basis of ideology about the proper role of government. It is clearly the proper role of government to help U.S. businesses win the fight they are in for global competitive advantage. As such, Congress should reauthorize the U.S. Export-Import Bank.

#### Bank finance is necessary for growth

Mulvaney 6/27

Sean Mulvaney, member of board of director of Ex-Im bank and served as director of Economic Policy Program at the German Marshall Fund of the United States, “Enabling Export Credit to Support Growth: The Role of the Export-Import Bank of the United States”, http://insurancenewsnet.com/oarticle/2014/06/27/enabling-export-credit-to-support-growth-the-role-of-the-export-import-bank-of--a-523467.html#.U6-WMfldX9M//SQR

What's keeping your clients up at night? And second, Ex-Im aims to fill trade finance gaps the private sector is unable or unwilling to provide. To implement the mission, Ex-Im uses a variety of products such as insurance, guarantees and direct lending which span a spectrum of preand post-export credit needs. In FY 2013, Ex-Im generated $27 billion in credit authorizations supporting $37 billion in US exports and over 200,000 American jobs. Ex-Im Working Capital Guarantees Can Maximize Borrowing Potential Dependable sources of working capital can be critical for a company's financial stability and expansion. Private lenders are often unwilling to finance the working capital needs of US companies if the output is destined for overseas customers because of the perceived foreign payment risk. Ex-Im's working capital program assists in obtaining loans to produce goods or services for export. The working capital facilities, financed by commercial lenders and backed by an Ex-Im Bank's guarantee, provide businesses with the liquidity to accept new business, grow international sales and compete more effectively in the global marketplace. Such facilities can also be used by exporters to post standby letters of credit when foreign buyers request bid or performance bonds. Ex-Im partners with 35-40 commercial banks to improve access to credit and will assume 90% of the lender's credit risk to help US exporters secure access to financing. In 2013, Ex-Im issued in $2.6 billion credit authorizations to support the export based working capital needs of US small, medium and large businesses.

### Exports

#### Ex-Im financing is necessary for US exports

Talton 6/28

Jon Talton, June 28th, 2014, “Export-Import Bank Succeeds”, http://seattletimes.com/html/businesstechnology/2023936324\_biztaltoncol29xml.html?syndication=rss//SQR

The Ex-Im Bank was established in 1934 by Franklin Roosevelt and helps finance about 2 percent of U.S. exports. This is an important 2 percent, representing deals that couldn’t otherwise find financing in a timely manner. Specifically, the bank makes and guarantees loans to foreign buyers of U.S. products. In fiscal 2012, it backed $50 billion in American exports, supporting 255,000 jobs. The default rate is low. And while the “Bank of Boeing” is important to some big players — Caterpillar and GE, too — it also provided financing for 3,400 American companies of all sizes. At least 59 other government credit agencies exist around the world to help those nations’ exports, so Ex-Im is hardly unique. Indeed, it is an essential backstop for American exports — and jobs in the state of Washington. Nor is it the drain on taxpayers that critics claim. The bank says it earned $1 billion in fees in 2013. According to the accounting rules set by Congress, Ex-Im would save the government $14 billion over 10 years. Exports are a proven method for growing local businesses and creating good jobs. In the last seven years, Wisconsin manufacturing exports grew three times as fast as the rest of the economy. These exports aren’t just heavy equipment, but also include food, paper and vehicles. Private companies invest heavily and take risks to develop export markets, and this work is supported by government agencies at all levels. The Wisconsin Economic Development Corporation organizes trade ventures to help business-owners make connections in new markets. The Wisconsin Manufacturing Extension Partnership hosts the ExportTech workshop series that walks business-owners through the process of creating and implementing export plans. But knowledge only goes so far. Often, the lack of available financing is where export deals fall apart.

### Trade Leadership

#### Ex-Im financing is necessary to shore up US trade leadership

ITIF 12

Information Technology & Innovation Foundation “The Export-Import Bank Works For America: Responses to 18 Arguments for Cutting Ex-Im’s Authorization” INNOVATION FACT SHEET: EX-IM BANK, 2012, http://www2.itif.org/2012-ex-im-bank.pdf

12) While the administration argues that we need to increase funding for Ex-Im to match increased export credit activity by countries such as China, allowing Beijing to set the terms and pace of export credit policy in the United States is foolhardy at best.14 We may not like the fact that Beijing is setting the terms and pace of export financing policy but it does. This would have been akin to saying during the Cold War, “to let Moscow set the terms and pace of military spending in the United States is foolhardy at best.” Moreover, as #13 explains, it’s not like China is the only country that aggressively uses export financing. (Although China does go further than most countries by often condition their dispersal of foreign aid to countries to those countries purchasing Chinese exports, with China’s Eximbank providing the export credit financing for those transaction). As such, the United States really has only three choices: 1) Unilateral disarmament; 2) Expansion on Ex-Im financing to try to level the playing field; or 3) Globally binding treaties limiting export financing. The first option would result in an even greater loss of U.S. traded sector (and manufacturing) capacity than has already been the case. The third might be the ideal policy, but it won’t happen anytime soon and the odds of it happening if the United States unilaterally disarms first are close to zero. The second is the only viable policy choice now. 13) In any case, the idea that the United States suffers from a prohibitively tilted playing field is questionable.15 A key argument for the Ex-Im Bank is that firms in the United States face an un-level playing field when it comes to trade. It’s hard to see how anti-Bank advocates can make this claim when the U.S. corporate tax rate is the highest in the world, other nations manipulate their currency, have more closed markets and provide much higher subsidies. Even when looking only at export financing, the United States badly trails many nations, including Brazil, Canada, China, Germany, and India in new medium- and long-term official export credit volumes as a share of GDP. In fact, in 2010, Brazil’s and China’s export-import banks provided ten times more financing to their exporters as a share of GDP than the U.S. Ex-Im Bank provided to its. France and India both provided at least seven times more export assistance as a share of GDP than the United States did in 2010. In 2011, Germany invested almost as much in export credit financing, about $29 billion, as the United States did, $32.7 billion, despite the fact their economy is one-quarter the size of America’s.

### Gulf Coast Economy

#### Failure to reauthorize wrecks Louisiana’s economy ¶

Larino 6/25

Jennifer Larino, NOLA.com, The Times-Picayune “Louisiana business leaders oppose House Republicans' push to close Ex-Im Bank” June 25, 2014¶ http://www.nola.com/business/index.ssf/2014/06/louisiana\_business\_leaders\_opp.html¶

As House Republicans ramp up calls to close the U.S. Export-Import Bank, Louisiana business leaders Wednesday (June 25) came out in support of the institution, which they say is a vital source of financing for the state's export industry.¶ The Ex-Im Bank, which has received bipartisan support in Congress since it was created in 1934, has become the latest flashpoint for House GOP members after recent leadership changes.¶ The bank finances and insures the sale of U.S. goods to international buyers, a role supporters say is critical for American exporters to be competitive.¶ But critics say the bank's loans are veiled corporate welfare and have waged a campaign to allow the bank's charter to expire in September, effectively shutting it down. They argue the private sector should be financing business deals, not the federal government.¶ The Obama administration, which is seeking a five-year extension to the charter and an increase in the amount it can lend, opposes that view.¶ In a letter to the Louisiana congressional delegation, a coalition of state business leaders sided with the administration in urging reauthorization of the bank, noting that it provides essential loan, loan guarantees and export credit insurance "to help cover financing gaps for American exporters."¶ Louisiana shipped more than $63 billion in goods to other countries in 2013, more exports per capita than any other state.¶ Michael Hecht, president and CEO of regional economic development group Greater New Orleans Inc., said Louisiana's role as a top exporter depends on a functioning Ex-Im Bank.¶ "Reauthorization of Ex-Im is a critical action Congress must take to ensure continued export growth and job creation in Louisiana," Hecht said in a written statement.¶ The future of Ex-Im was thrown into question Sunday when House Majority Leader-elect Kevin McCarthy of California told media that he was in favor of defunding the bank.¶ A Wall Street Journal report Monday cast a further shadow, detailing ongoing corruption investigations into four Ex-Im officials.¶ Local business leaders voiced their support for the institution in the hours before Ex-Im Chairman and President Fred P. Hochberg was set to testify before the House Committee on Financial Services Committee on Wednesday afternoon.¶ According to the letter, Ex-Im Bank has provided financing for or otherwise backed more than $1 billion in Louisiana exports. Nearly 160 Louisiana businesses have benefited from Ex-Im loans, the letter says.¶ Greg Rusovich, CEO of Transoceanic Development, a New Orleans consultancy that specializes in connecting global buyers and sellers in the heavy industry sector, said the bank supports Louisiana commerce at no cost to taxpayers.¶ According to its own reports, the bank claims to have returned $1 billion to the U.S. Treasury last year while offering financing to support more than 1.2 million jobs in the United States over the past five years.¶ "The U.S. must level the playing field with fierce global competition, and Ex-Im provides a crucial tool for our exporters to win on the global stage. Congress must re authorize Ex-Im and further put our global competitors on their heels," Rusovich said.¶ Stephen Waguespack, president of the Louisiana Association of Business and Industry, said the state has seen strong economic growth in recent years, thanks in part to a robust export economy.¶ "In the face of national economic headwinds, Louisiana has propped up its economy through international trade," Waguespack said. "However, our state's economy may not stay healthy unless Congress takes action to promote international trade, including reauthorizing Ex-Im."¶ The push to shutter the bank has not gained unified support from House GOP members.¶ The Guardian reported a group of 41 Republicans led by Rep. Charles Boustany, R- Lafayette, wrote McCarthy this week warning of dire consequences for the nation's export industry if the bank's charter isn't renewed.¶ Politico reported Tuesday that House Speaker John Boehner declined to say whether he thought the bank's charter should be renewed, exposing familiar dividing lines within the party.¶ Though the House is expected to make the first move on a renewal, Senate Minority Leader Mitch McConnell told Politico he is pushing to bring the matter to the Senate floor before the Sept. 30 expiration date. McConnell said he has not decided whether he will support it.

### Shutdown

#### Failure to compromise on Ex-Im makes shutdown inevitable

Sargent 6/24

Greg, Washington Post, “Another government shutdown?” June 24 http://www.washingtonpost.com/blogs/plum-line/wp/2014/06/24/another-government-shutdown/

How do we get from here to a government shutdown? It would start with Boehner and McCarthy holding out against re-authorization despite intense business pressure. Then Senate Dem leaders, later this summer, put reauthorization into a continuing resolution funding the government and dare House Republicans to oppose it. Then (goes the scenario envisioned by conservatives, anyway) House GOP leaders, under pressure from the right, say No to the CR. Then Senate Dems are shutting down the government to protect corporate welfare.

### AT Bank Bad

#### Billions in profit and negligible default rate

ITIF 12 (Information Technology & Innovation Foundation “The Export-Import Bank Works For America: Responses to 18 Arguments for Cutting Ex-Im’s Authorization” INNOVATION FACT SHEET: EX-IM BANK, 2012, http://www2.itif.org/2012-ex-im-bank.pdf)

7) The Ex-Im Bank was a New Deal program founded in the mid-1930s to assist with the export of American goods. Among other things, it provides loans using funds backed by the full faith and credit of the American people. This means Joe and Jane Taxpayer are responsible for the Bank's activities.7

It also means that Joe and Jane taxpayer are beneficiaries of the Bank’s activities. The $34.4 billion in exports backed by the Bank and the 227,000 jobs, many of them high-wage, that come from these exports benefit Joe and Jane Taxpayer directly if they happen to work at one of the 3,300 firms getting Ex-Im financing, or at those firms’ suppliers, or a business in the community where the Ex-Im beneficiary firm or supplier is located. They benefit indirectly by having a larger economy. More and higher wage jobs mean higher total U.S. tax revenues and lower government costs (e.g., unemployment insurance). Moreover, the Ex-Im Bank has returned $3.4 billion to the U.S. Treasury above and beyond the cost of its operations over the past five years and has achieved a loan default rate of less than 1.5 percent. So Joe and Jane taxpayer have benefited from Ex-Im activities.

#### Ex Im had a superb year – weak markets and export upswing

O’Connell 12 (Michael O'Connell “Export-Import Bank gives while other agencies take” Federal News Radio, November 16 2012, http://www.federalnewsradio.com/533/3122331/Export-Import-Bank-gives-while-other-agencies-take)

New figures show one agency had a banner year. The Export-Import Bank, which lends money to American companies that do business abroad, had a record number of transactions in fiscal 2012. Fred Hochberg, the Export-Import Bank president told The Federal Drive with Tom Temin and Emily Kopp there were two good reason for the bank's success. "One, we're on an export upswing," he said. "Exports topped $2.1 trillion last year. Never have we done more exports than we did in 2011. And two, the other thing that's not as good is the financial markets are still kind of weak. So, one of the reasons we've had to step in is to make sure we keep those exports going and the jobs being created. We need to step in sometimes and help finance those exports." The bank is not subsidized; rather, it collects a fee for the work it does, which covers all of the agency's administrative costs and loan-lost reserves. "On top of that, in fiscal 2012, we sent the Treasury $1.1 billion," Hochberg said. "Subsidy usually means you get something from the government. We actually contribute to the government."

#### Almost no defaults

O’Connell 12

Michael O'Connell “Export-Import Bank gives while other agencies take” Federal News Radio, November 16 2012, http://www.federalnewsradio.com/533/3122331/Export-Import-Bank-gives-while-other-agencies-take

While the Export-Import Bank is able to offer low-interest loans like other banks, its loans are backed by the "full faith and credit of the U.S. government," Hockberg said. "We did almost $36 billion worth of approved loans and most of those loans go to foreign buyers so that they can buy U.S. goods," he said. "Very few of them actually go to U.S. companies. Most of them go to their customers." Bright future ahead for U.S. exports Looking down the road to the next four or five years, Hochberg expects to see the large upswing in exports to continue. "We make a difference in two areas, long-term loans and small business," he said. "Those two areas I believe are going to still have trouble getting lending from banks for quite some time to come. According to the 2012 Annual Report, the bank has not only been posting good numbers, its employees are more productive as well. Part of the workforce's success is its collaborative nature. "People have found a lot of shortcuts," Hochberg said. "We've eliminated things like Credit Committee, so the career staff of the bank can approve loans up to $10 million. There's a process for that, but the point is, we've delegated more authority to our employees and we've tried to therefore cut cycle time." Using this process, the bank has been able to process 98 percent of all loans within 100 days and 90 percent within 30 days. Helping business succeed overseas The bank's role is to help companies that are having a difficult time finding financing due the nature of the products they produce — satellite, nuclear power plants or large commercial aircraft — or the countries they are selling products to. "U.S. companies are sometimes selling to countries that are hard to finance into," Hochberg said. "Kazakhstan, South Africa, Colombia, these are more difficult markets for banks to be comfortable in. So, we try to fill the gap on products that are hard to finance and countries that are hard to finance." The Export-Import Bank conducts extensive credit reviews of its customers and reports its default rates to Congress every 90 days. "Our defaults right now are running about one-third of 1 percent," he said. Currently, the bank operates in 178 countries and is waiting for the State Department and President Obama to make a decision about whether it can begin doing business in Burma.

### AT It’s Political

#### Not used as a political tool

Hillman 82 – Northwestern University School of Law (Jordan Jay Hillman, “Eximbank as a Public Enterprise: The Role of Congress and the Executive Branch” Northwestern Journal of International Law & Business Volume 4 Issue 2, Fall 1982, http://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1122&context=njilb)

The central reality governing the relationship between the Executive Branch and the Bank derives from the President's authority under the Act to appoint the Bank's President (and Board Chairman), First Vice President (and Board Vice Chairman) and the three other voting directors to serve at his pleasure without fixed terms. 125 This is not to suggest that the Bank operates primarily as a political arm of the White House in its handling transactions. Within the framework of Congressional oversight, public opinion and the potential complaints of more clearly deserving but disappointed applicants, prudence will normally restrain the President and the Bank from using the Bank's decisional authority simply as a mechanism for distributing Presidential favors.

#### The Bank can divorce itself from the political arena

Hillman 82 – Northwestern University School of Law (Jordan Jay Hillman, “Eximbank as a Public Enterprise: The Role of Congress and the Executive Branch” Northwestern Journal of International Law & Business Volume 4 Issue 2, Fall 1982, http://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1122&context=njilb)

As regards Presidential-Bank relations in general, it would appear that during periods of pronounced promotional activity and program expansion the Bank and the President seek actively to identify with each other.'32 In contrast, during periods of program transition, contraction or flatness the parties are less inclined to embrace each other in public. 33 What seems to be the most notable effort toward formal identification occurred in 1979 under President Carter. In his Reorganization Plan Number 3 of that year, the President designated the holder of the newly created Office of Trade Representative and the Secretary of Commerce as ex officio non-voting members of the Bank's Board. 34 The appointments were made in the context of a transmittal message which declared as the general responsibility of the Trade Representative "to ensure a vigorous and coordinated Government wide export expansion effort," while the Secretary of Commerce was to assume the principal mission of "fostering the international competitiveness of American industry."'135

## Links

### Exploration

#### Congress reducing budget for exploration

Mervis 13 – a reporter on science policy

(Jeff, 3/25/13, “Congress Completes Work on 2013 Spending Bill”, http://news.sciencemag.org/2013/03/congress-completes-work-2013-spending-bill)//spark

U.S. research agencies finally know what they have to spend for the rest of the 2013 fiscal year after Congress completed work on 20 March on a bill to fund the government through 30 September. The heavy lifting was completed by the Senate, and, on 21 March, the House of Representatives accepted the Senate's version. The so-called continuing resolution modifies some of the more onerous aspects of the automatic budget cuts known as the sequester that went into effect earlier this month. But the spending bill retains the overall $85 billion reduction in a trillion-dollar budget that covers discretionary spending (which covers most science agencies). The Senate bill provides a detailed spending road map for the National Science Foundation, NASA, the National Oceanic and Atmospheric Administration, and the National Institute of Standards and Technology that includes congressional preferences. But other research agencies, notably the National Institutes of Health, have received very little guidance beyond an overall amount they can spend. Dickering over the National Oceanoic and Atmospheric Administration's (NOAA's) 2013 budget caused plenty of sturm and drang over the past year. But the final outcome has agency advocates feeling somewhat serene. "NOAA did well given the constraints of a very tough budget situation—not perfect, but it could have been much, much worse," says Scott Rayder, a former top NOAA aide who is now a senior adviser at the University Corporation for Atmospheric Research in Boulder, Colorado. The bottom line: Thanks to Superstorm Sandy, NOAA will have about $5.2 billion to spend in fiscal year 2013, some $300 million more than its 2012 total. All of that increase, however, comes from a Sandy relief bill approved earlier this year that specifies how the agency must use the funds. The result is that some of NOAA's research accounts will still feel pain from the automatic cuts known as the sequester. The math can be hard to follow. Overall, Congress gave NOAA $5.1 billion in its final 2013 spending bill, matching the president's request. At first glance, that total appears to be an increase. But the bill also requires a cut of nearly 2% to bring the agency's budget, in line with government-wide spending limits, reducing the total to about $5 billion. The sequester—about a 5% cut—further reduces the total to about $4.74 billion, some $150 million below NOAA's 2012 total of $4.89 billion. The Sandy relief bill finalized in February, however, added $476 million to NOAA's budget for a range of specific needs, such as repairing laboratories and "hurricane hunter" aircraft and new weather radars and satellites. The add-on put NOAA back into the black for 2013, despite the sequester, and gives the agency greater spending flexibility for some programs. Other programs, however, will still feel pain. The largest, including its Office of Oceanic and Atmospheric Research and the National Marine Fisheries Service, are likely to end up with flat or slightly reduced budgets. And at least one research-related program will cease to exist. Congress endorsed a controversial plan to shut down NOAA's National Undersea Research Program (NURP) , a $4 million program that gives academic scientists access to research submersibles, and to fold it into the agency's broader ocean exploration program. But lawmakers also directed NOAA to take a close look at the NURP's regional partnerships with universities and other groups. Those "producing the most valuable scientific information," they agreed, should be allowed to compete for continuing funding. The agency will also have to tell Congress what it plans to do with NURP's small fleet of piloted and automated undersea craft.

### Ocean Policy

#### Ocean Conservation Costs PC

Sielen 4/16

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“Sea Change: How to Save the Oceans” April 16, 2014

http://www.foreignaffairs.com/articles/141198/alan-b-sielen/sea-change

The oceans of studies on dying seas have done nothing to stop their devastation. In a 2011 report, the Oxford-based International Program on the State of the Ocean wrote that the planet faced “losing marine species and entire marine ecosystems, such as coral reefs, within a single generation.” Last month, the United Nations Intergovernmental Panel on Climate Change reported that the effects of human-induced climate change are already far-reaching. It also singled out ocean acidification. As the oceans absorb higher levels of carbon, the more acidic water threatens coral reefs, shellfish, and other marine life.¶ The experts only confirm what people around the world see every day: marshland, once teeming with wildlife, paved over; subsistence fishermen in poor countries driven from the ocean by industrial fishing; recreational fishermen chasing fewer and smaller fish farther out to sea; surfers getting hepatitis shots before entering sewage-contaminated waters; families on vacation snorkeling through coral bone-yards. In the Chesapeake Bay, the United States’ largest estuary, harvests of native oysters have fallen to less than one percent of historic levels due to the combined effects of overfishing, disease, and habitat destruction.¶ There is no shortage of international recommendations, action plans, and other prescriptions for restoring the oceans’ health. The 1982 United Nations Convention on the Law of the Sea, the 1992 Rio Earth Summit, the 2002 Johannesburg World Summit on Sustainable Development, and the 2012 United Nations Conference on Sustainable Development (Rio+20) all put forward different ways to protect the oceans from pollution and overfishing, preserve biological diversity, and help developing countries build the scientific and institutional capacities to run effective conservation and management programs of their own. The calls for action have brought some victories, such as international rules limiting what oil tankers discharge into the sea, a global ban on the disposal of nuclear waste into the ocean, and the creation of marine reserves, or protected areas of the ocean. But as much as these measures helped, they have not eliminated all the other threats to the seas.¶ The problem is not ignorance but political will. At the most basic level, governments and industries are simply not doing enough of the right things. The situation is especially dire in poor countries, which have fewer assets for managing and protecting marine resources. Even wealthy countries, such as the United States, which has made admirable progress in reducing air pollution, providing safe drinking water, and managing hazardous waste, continue to struggle to stem the flow of pollutants into the ocean. Diminished trust in public institutions and the political process makes agreement on even the simplest solutions more difficult. But the longer government and society delay effective action, the worse things get.

#### Ocean policies = not popular – Congress doesn’t care about the benefits

Stauffer 6/1 – Ocean Program Manager at Surfrider Foundation

(6/1/14, Pete, “Texas Lawmaker Leads Attack on our National Ocean Policy”, http://www.surfrider.org/coastal-blog/entry/congress-takes-aim-at-our-national-ocean-policy)//spark

When the National Ocean Policy was established by President Obama in 2010 it signaled a serious attempt to address the many shortcomings of our nation’s piecemeal approach to ocean management. Taking its cue from the recommendations of the U.S. Commission on Ocean Policy - a bipartisan body established by President George W. Bush - the policy emphasizes improved collaboration across all levels of government to address priorities such as water quality, marine debris, and renewable energy A cornerstone of the policy is the establishment of regional ocean parterships (ROPs) that empower states to work with federal agencies, stakeholders, tribes, and the public to plan for the future of the ocean. In just three years, important progress has been made, despite a glaring lack of support from Congress. An Implementation Plan has been released with hundreds of actions that federal agencies are taking to protect marine ecosystems and coastal economies. Collaborative projects are moving forward to restore habitats, advance ocean science, and engage stakeholders. And finally, the Northeast, Mid-Atlantic, and West Coast regions have begun ocean planning to enusure that future development will mimize impacts to the environment and existing users. Of course, such success stories do not resonate well in Washington D.C., where controversy rules the day and political parties instinctively oppose each other’s proposals. As an initiative of the Obama Presidency, the policy has suffered from partisan attacks, despite the collaborative framework it is based upon. Yet, such political gamesmanship by our federal leaders is obscuring an important truth - the principles of the National Ocean Policy are taking hold in states and regions across the country, even without the meaningful support of Congress.

#### Ocean policies not popular

Eilperin 12 – the House of Representatives reporter, she covered the environment for the national desk, reporting on science, policy and politics in areas including climate change, oceans, and air quality

(11/04/2012, Juliet, “Attempt to sort out ocean policy draws fire”, <http://www.bostonglobe.com/news/nation/2012/11/04/national-ocean-policy-faces-opposing-tides/uQXXHyujnrOi1ilIEZb0xM/story.html)//spark>

Partisan battles are engulfing the nation’s ocean policy, showing that polarization over environmental issues doesn’t stop at the water’s edge. For years, ocean policy was the preserve of wonks. But President Obama created the first national ocean policy, with a tiny White House staff, and with that set off some fierce election-year fights. Conservative Republicans warn that the administration is determined to expand its regulatory reach and curb the extraction of valuable energy resources, while many Democrats, and their environmentalist allies, argue that the policy will keep the ocean healthy and reduce conflicts over its use. The wrangling threatens to overshadow a fundamental issue — the country’s patchwork approach to managing offshore waters. Twenty-seven federal agencies, representing interests as diverse as farmers and shippers, have some role in governing the oceans. Obama’s July 2010 executive order set up a National Ocean Council, based at the White House, that is designed to reconcile the competing interests of different agencies and ocean users. The policy is already having an impact. The council, for example, is trying to broker a compromise among six federal agencies over the fate of defunct offshore oil rigs in the Gulf of Mexico. Recreational fishermen want the rigs, which attract fish, to stay, but some operators of commercial fishing trawlers consider them a hazard and want them removed. Still, activists invoking the ocean policy to press for federal limits on traditional maritime interests are having little success. The Center for Biological Diversity cited the policy as a reason to slow the speed of vessels traveling through national marine sanctuaries off the California coast. Federal officials denied the petition. During a House Natural Resources Committee hearing on ocean policy last year, the panel’s top Democrat, Rep. Edward J. Markey (Mass.), said that “opposing ocean planning is like opposing air traffic control: You can do it, but it will cause a mess or lead to dire consequences.” Rep. Steve Southerland II (R-Fla.), who is in a tight reelection race, retorted that the policy was “like air traffic control helping coordinate an air invasion on our freedoms.” An environmental group called Ocean Champions is spending hundreds of thousands of dollars to unseat him. The sharp rhetoric puzzles academics such as Boston University biologist Les Kaufman. He contributed to a recent study that showed that using ocean zoning to help design wind farms in Massachusetts Bay could prevent more than $1 million in losses to local fishery and whale-watching operators while allowing wind producers to reap $10 billion in added profits by placing the turbines in the best locations. Massachusetts adopted its own ocean policy, which was introduced by Mitt Romney, the Republican governor at the time, and later embraced by his Democratic successor, Deval L. Patrick. “The whole concept of national ocean policy is to maximize the benefit and minimize the damage. What’s not to love?” Kaufman said, adding that federal officials make decisions about offshore energy production, fisheries and shipping without proper coordination. Nearly a decade ago, two bipartisan commissions called upon the government to coordinate its decisions regarding federal waters, which extend from the roughly three-mile mark where state waters end to 200 miles from shore. When Romney moved to establish ocean zoning in 2005 in Massachusetts, he warned that without it there could be “a Wild West shootout, where projects were permitted on a ‘first come, first served’ basis.” In Washington, however, legislation to create an ocean zoning process failed. The policy set by Obama in 2010 calls for five regions of the country — the Mid-Atlantic, New England, the Caribbean, the West Coast and the Pacific — to set up regional bodies to offer input. White House Council for Environmental Quality spokeswoman Taryn Tuss said the policy does not give the federal government new authority or change congressional mandates. “It simply streamlines implementation of the more than 100 laws and regulations that already affect our oceans.” House Natural Resources Committee Chairman Doc Hastings (R-Wash.) said he is not opposed to a national ocean policy in theory. But he said he is concerned that the administration’s broad definition of what affects the ocean — including runoff from land — could open the door to regulating all inland activities, because “all water going downhill goes into the ocean. . . . That potential could be there.” The House voted in May to block the federal government from spending money on implementing the policy, though the amendment has not passed the Senate. Two influential groups — anglers and energy firms — have joined Republicans in questioning the administration’s approach. In March, ESPN Outdoors published a piece arguing that the policy “could prohibit U.S. citizens from fishing some of the nation’s oceans, coastal areas, Great Lakes, and even inland waters.” The article, which convinced many recreational fishermen that their fishing rights were in jeopardy, should have been labeled an opinion piece, the editor said later. “Fishermen saw this as just another area where fishing was going to be racheted down,” said Michael Leonard, director of ocean resource policy for the American Sportfishing Association, whose 700 members include the nation’s major boat manufacturers, as well as fish and tackle retailers. Leonard added that the White House has solicited some input from anglers since launching the policy and that they will judge the policy once its final implementation plan is released, after the election. The National Ocean Policy Coalition — a group based in Houston that includes oil and gas firms as well as mining, farming and chemical interests — has galvanized industry opposition to the policy. Its vice president works as an energy lobbyist at the law firm Arent Fox; its president and executive director work for the firm HBW Resources, which lobbies for energy and shipping interests. Brent Greenfield, the group’s executive director, said that the public has not had enough input into the development of the policy and that his group worries about “the potential economic impacts of the policy on commercial or recreational activity.” Sarah Cooksey, who is Delaware’s coastal-programs administrator and is slated to co-chair the Mid-Atlantic’s regional planning body, said the policy will streamline application of laws already on the books. “No government wants another layer of bureaucracy,” she said. In Southerland’s reelection race, Ocean Champions has labeled the congressman “Ocean Enemy #1” and sponsored TV ads against him. Jim Clements, a commercial fisherman in the Florida Panhandle district, has mounted billboards against Southerland on the grounds his stance hurts local businesses. Southerland declined to comment for this article. Ocean Champions President David Wilmot said that while most ocean policy fights are regional, this is “the first issue I’ve seen that’s become partisan. I do not think it will be the last.”

### OMEGA

#### Expansion of OMEGA triggers political fights

Lauren De Vore, 11/19/2009, LLNL Community News, “Algae could turn tide for biofuel production,” <https://newsline.llnl.gov/_rev02/articles/2009/nov/11.13.09-algae.php>

“There’s biology — what strains of algae are best at producing oil, and can we make them grow in the system? There’s engineering — not just plastic bags in the ocean, but the whole system design and all of the logistics involved in maintaining such a system. There’s the economic angle — OMEGA will require new infrastructure. And of course there are the environmental issues, including policies, politics and public acceptance.”¶ Despite the magnitude of the undertaking, Trent was adamant about the need to push ahead. “It’s clear that something has to be done and done soon about our energy problems. Things are not sustainable the way they are now.¶ “OMEGA may not be the best way to go, but we need to investigate it to determine its technical and economic feasibility. We need to try other new ideas as well. If we wait too long, the environment will be the first thing to go as we do whatever it takes just to feed the growing population.”

### Algae Biofuels

#### Prefer our evidence; even if algae used to be bipartisan, it has become politicized

Parker 12 (Alex M. Parker, journalist for the US News and World Report, “Algae Amendment Puts Biofuels Back in Energy Debate” March 13, 2012, http://www.usnews.com/news/articles/2012/03/13/algae-amendment-puts-biofuels-back-in-energy-debate)

The cultivation of algae to create or enhance biofuels has, in the past, been relatively non-controversial. But the issue became politicized quickly after President Barack Obama mentioned it as a component of his energy platform last month.¶ Mocking the idea as a pie-in-the-sky response to the real-life problem of high gas prices, the GOP presidential candidates have made it a regular laugh line on the campaign trail. Former House Speaker Newt Gingrich has taken to calling Obama "President Algae."¶ On Capitol Hill, the algae-as-fuel idea has quickly become a symbol of wasteful government overreach among conservative Republicans.¶ "Algae will be a bad sequel to ethanol," says John Hart, spokesman for Oklahoma Sen. Tom Coburn, who has lead charges to eliminate tax preferences or federal standards which promote the use of corn-based ethanol.

#### Republicans dislike use of algae biofuel - HASC Defense bill proves.

**AIM 12**

(http://www.algaeindustrymagazine.com/the-politics-of-algae-continued/¶ The Politics of Algae, continued…¶ May 15, 2012¶ AlgaeIndustryMagazine.com, Date Accessed: 6.28.14)//BSpencer

**Two articles out this week deftly explore the dilemma the algae, and for that matter the entire bio fuels, industry finds itself – in the wake of the House Armed Services Committee (HASC) recently passing the 2013 Defense Authorization bill** (H.R. 4130) **banning the Defense Department from making or buying an alternative fuel that costs more than traditional fossil fue**l.¶ While the military itself has been an outspoken supporter of the need to have more reliable and controllable fuel sources, the **Republican-dominated HASC feels the greater need to bring down costs, especially the premiums that the military has been paying for early-stage green fuels; costs that have helped to cover some of the bio fuels industry’s development**.¶ In Eric Beidel’s piece in National Defense Magazine he calls it the classic chicken and the egg conundrum, **where the developing bio-fuels industry needs the military to buy big, providing a demand signal that could help reduce prices**.

#### Republicans hate the plan, attack Obama for it

McAuliff 12 (Michael McAuliff, senior congressional reporter for the Huffington Post, “Algae Biofuel Proposal, Now Mocked By Republicans, Used To Have Their Support” February 28, 2012 http://www.huffingtonpost.com/2012/02/28/mitch-mcconnell-mocks-pre\_n\_1307862.html)

Capitol Hill Republicans mounted an all-out offensive against President Obama's energy initiatives Tuesday, even mocking him for an idea many of them used to like: using algae to create biofuel. "Over the past few weeks the American people have begun to feel the painful effects of President Obama's energy policy," Senate Minority Leader Mitch McConnell declared in a Senate floor speech that ridiculed an energy plan Obama detailed last week, which included the use of biofuel sources such as algae. "As millions of Americans groaned at the rising cost of a gallon of gasoline, the president took algae as a substitute for gas. Algae as a substitute for gas," McConnell said in apparent disbelief. "I think the American people realize that a president who's out there talking about algae -- algae! -- when we're having to choose between whether to buy groceries or fill up the tank is the one who is out of touch," McConnell added, arguing that the way to bring down gas prices is to drill for more oil. "Americans get this issue," McConnell said. "They get that we need to increase oil production right here at home, not simply rely on pipe dreams -- pipe dreams -- like algae or by wasting billions of taxpayer dollars on more failed clean energy projects." McConnell was followed by Sen. Kay Bailey Hutchison (R-Texas), who suggested Obama's plans were no plans at all. "What the president does favor is the Saudis increasing oil production, and increased use of solar, wind and algae here at home," she said. "Does that really substitute for an energy policy?"

### Costs PC

#### Investments and tax breaks for biofuels cost political capital

Naylor 12 (Rosamond Naylor, Director of the Center of Food Security and the Environment, William Wrigley Senior Fellow, Professor of Environmental Earth System Science at Stanford University, “Biofuels, Rural Development, and the Changing Nature of Agricultural Demand” April 11, 2012, https://woods.stanford.edu/sites/default/files/files/BiofuelsPaper.pdf)

The third and final theme draws on these points and addresses the question: Given the ¶ uncertainties and public sector costs surrounding the development of liquid biofuels, ¶ should developing countries facing high rates of food and energy insecurity invest in the ¶ industry? There is no universal answer to this question; each country must evaluate its ¶ own economic and resource situation, and its institutional capacity. This evaluation must ¶ be done with skill and great care, because the stakes for rural development, hunger, ¶ resource depletion, and inequality are high. Adopting a strategy for biofuel growth as a ¶ means of stimulating the agricultural economy, addressing domestic transportation fuel ¶ needs, and enhancing foreign exchange reserves will require the creation of well functioning supply chains that can generate economies of scale. To date, small isolated ¶ plants with new sources of feedstocks (e.g., jatropha) have thus far been too costly. ¶ Public investments in agricultural productivity and infrastructure, as well as fuel ¶ mandates and tax exemptions for private companies that are needed to build supply ¶ chains and ensure long-run demand for biofuels, will have large opportunity costs in ¶ terms of fiscal expenditures, land and water resources, and political capital.

## Affirmative

### Won’t Pass – 2ac

#### Won’t Pass –

#### Cantor Loss generates momentum to block reauthorization

Memoli and Puzzanghera 6/24

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A tough fight two years ago led to the bank's reauthorization despite strong Republican opposition. The bank had a key ally then in House Majority Leader Eric Cantor (R-Va.), who helped forge a compromise.¶ But incoming Majority Leader Kevin McCarthy (R-Bakersfield), who was selected after Cantor's stunning primary loss this month to a tea party Republican, said over the weekend that he favors allowing the bank's charter to expire.¶ "It's something that the private sector can be able to do," McCarthy told "Fox News Sunday."¶ That gave momentum to a push in recent weeks led by Rep. Jeb Hensarling (R-Texas), chairman of the House Financial Services Committee, to block the bank's reauthorization.

#### Closed until midterms

Todd et all 6/26

Chuck Todd, Mark Murrary, and Carrie Dann, June 26th, 2014, “Stick a Fork in this Congress: It's Done Until Midterms”, http://www.nbcnews.com/politics/first-read/stick-fork-congress-its-done-until-midterms-n141481//SQR

Sick a fork in this Congress; it’s done at least until the midterms (and maybe until Jan. 2017) Mark yesterday, June 25, on your calendars: It was the day Congress all but closed up shop to focus on the midterms -- after House Speaker John Boehner announced he would introduce legislation next month to authorize a lawsuit against President Obama over his executive actions in office. “President Obama has circumvented the Congress through executive action, creating his own laws and excusing himself from executing statutes he is sworn to enforce,” he wrote. Tellingly, Boehner’s letter didn’t cite a specific example of illegal or unconstitutional executive action, but his aides say the suit will likely focus on the health-care laws and energy regulations. But how do you expect Congress to get anything done for the rest of the year when the House has decided to sue the president? Immigration reform? Forget about it (and it was already on life support). Any other big items? Done. Of course, there’s always the possibility that SOMETHING might take place during the lame duck. But only the stuff that HAS to get done to avoid operational shutdowns. Yet for now, House Republicans have signaled they’re done working with the White House and Democrats. And the White House and Dems are pretty much saying the same thing. “I’m not sure an announcement that House Republicans are preparing a taxpayer-funded lawsuit against the president for doing his job is going to be warmly received by the American public,” White House Press Secretary Josh Earnest said yesterday.

### Won’t Pass – GOP

#### Free-market Republicans oppose

Lane 6/25

Charles Lane an American journalist and editor who is an editorial writer for The Washington Post and a regular guest on Fox News Channel “The Export-Import Bank faces extinction under new GOP” June 25, 2014 leadership”http://www.washingtonpost.com/opinions/charles-lane-the-export-import-bank-faces-extinction-under-new-gop-leadership/2014/06/25/c7615b38-fbd0-11e3-932c-0a55b81f48ce\_story.html

Now Ex-Im suddenly faces extinction: Its charter expires Sept. 30, and the agency’s best friend in the House Republican leadership, former majority leader Eric Cantor (Va.), who shepherded a bipartisan reauthorization bill in 2012, lost his GOP primary this month. Ex-Im must contend instead with free-market Republicans such as Jeb Hensarling (Tex.), chairman of the committee that oversees Ex-Im, and a new majority leader, Kevin McCarthy (R-Calif.), who has abandoned his past support for Ex-Im in deference to the tea party.

### Bank Bad

Lane 6/25 Charles Lane an American journalist and editor who is an editorial writer for The Washington Post and a regular guest on Fox News Channel

“The Export-Import Bank faces extinction under new GOP” June 25, 2014 leadership”http://www.washingtonpost.com/opinions/charles-lane-the-export-import-bank-faces-extinction-under-new-gop-leadership/2014/06/25/c7615b38-fbd0-11e3-932c-0a55b81f48ce\_story.html

Say what you want about the tea party, its critique of Ex-Im Bank as “crony capitalism” has a lot going for it; President Obama himself singled out Ex-Im as an example of “corporate welfare” when he was running for president in 2008 — although his administration, and most congressional Democrats, support it now.

Ex-Im defenders from the International Association of Machinists union to the U.S. Chamber of Commerce are bombarding Congress and the media with the message that Ex-Im is a realistic instrument of national policy, without which Boeing and other U.S. firms could not compete against heavily subsidized European companies, such as Airbus.

Hundreds of thousands of U.S. jobs depend on these exports, the argument goes, and Ex-Im made $1 billion last year from fees for loan guarantees and the like, so the U.S. economy gets all those benefits and it doesn’t cost taxpayers a dime.

Has Ex-Im finally discovered the elusive free lunch? Suppose it’s true, as the bank reports, that 205,000 U.S. workers owed their employment to Ex-Im-supported exports in fiscal 2013. This is not evidence of job creation; it’s evidence of governmentally-assisted job allocation. Resources that Ex-Im helped steer to Boeing, et al., might have created the same number of jobs, or more, at other firms.

Indeed, the first crack in a formerly united front of business support for Ex-Im appeared when Delta Airlines complained — plausibly — that Ex-Im-backed sales of Boeing jets to state-owned competitors abroad put Delta and its workers at a competitive disadvantage.

To fight the “bank of Boeing” stigma, Congress has required Ex-Im to allocate more of its portfolio (up to $140 billion under current law) to small business and “green” exports. No doubt these quotas spread Ex-Im largesse among more businesses — and congressional districts — thus broadening its political base.

Economically, though, nothing changes. Government is still picking winners and losers; it’s just picking more of them, in more markets, with more opportunities for bureaucratic decision-making, lobbying and, now and then, corruption — like the alleged bribery of an Ex-Im official by a construction-equipment exporter that the Ex-Im inspector general is investigating.

The no-cost-to-the-taxpayer argument is overblown, too. If Ex-Im backs loans that the private sector would not otherwise make, then, by definition, its portfolio is risky. Yet under existing law the federal budget accounts for Ex-Im’s loans as if they were as safe as Treasury debt. According to the Congressional Budget Office, a more accurate measure known as “fair value accounting,” which factors in foreseeable business cycle downturns, would show that Ex-Im adds $2 billion to the deficit over the next decade, rather than reducing it by $14 billion, as currently claimed.

The strongest argument for Ex-Im is that the United States can’t unilaterally disarm in a world where both buyers and sellers expect government intervention — not only from Europe, but also China and Japan — in the market for big-ticket items such as planes, nuclear reactors and locomotives.

It is an undeniably realistic contention, if not a principled one — all the more reason it might yet prevail. The Senate leans pro-Ex-Im. Forty-one House Republicans have signed a letter promising to back a bill if GOP leaders bring it to the floor, and most House Democrats are already on board.

Even if abolition is impossible, Ex-Im’s critics might have leverage to win real reforms, starting with fair-value risk accounting in the budget and an end to quotas for small business and green energy.

Ultimately, the best hope may be to negotiate tougher international rules against export subsidies, so every country’s companies can compete on their merits — and no country’s taxpayers are on the hook.

### AT Economy Impact

#### Reauthorization is not necessary – private sector will fill in

James 12 – trade policy analyst at the Cato Institute’s Herbert A. Stiefel Center for Trade Policy Studies (October 2012, Sallie, “Ending the Export-Import Bank”, http://www.downsizinggovernment.org/export-import-bank#7)//spark

However, that is only one side of the equation. The bank does not create the resources to provide financing out of thin air: the money comes from taxes or the repayment fees from previous loans, which would otherwise flow to the U.S. Treasury. In that sense, the bank only redistributes resources by taking them from other areas of the economy. It reallocates capital that would otherwise be available for other uses. When the bank diverts resources to politically selected activities, economic efficiency is lost unless the reallocation corrects a true market failure. But there is no reason to think that the Ex-Im Bank knows how to better deploy resources than consumers, investors, and businesses in private markets. Ex-Im Bank supporters often say that the bank creates jobs without acknowledging any offsetting losses to the rest of the economy. Thus the 227,000 jobs that Hochberg claims to have created are not necessarily "net jobs" that would not exist in a world without the Ex-Im Bank. The relevant question is whether the Ex-Im Bank's activities create more value—measured in terms of jobs, or exports, or economic growth—than they destroy. At best, the activities of the bank have no discernible net impact on the number of jobs in the U.S. economy. In many cases, Ex-Im–backed sales would have been completed anyway with private financing. The bank says that it tries to avoid displacing private-sector finance, but it can't avoid displacement entirely. Because the Ex-Im Bank is ready to step in with financing, no one can know what terms might have been offered by private lenders had the bank not existed.

#### Cant solve- fraud allegations

Katz 6/24

Diane Katz, who has analyzed and written on public policy issues for more than two decades, is a research fellow in regulatory policy at The Heritage Foundation, “At Least 74 Cases of Fraud and Corruption at Ex-Im Bank Since 2009”, http://dailysignal.com/2014/06/24/fraud-corruption-rampant-ex-im-bank/)//SQR

June 24, 2014 On Monday, The Wall Street Journal reported that four employees of the Export-Import Bank have been removed in recent months amid allegations of kickbacks and other corruption. But the Journal article tells only part of the story. Based on a review of government documents, The Heritage Foundation has determined that there have been at least 74 cases since April 2009 in which bank officials were forced to act on the basis of “integrity” investigations by the Office of Inspector General. Dozens of other fraud cases involving Ex-Im beneficiaries have been referred to the Department of Justice for prosecution. The revelations come at a particularly vulnerable time for the government agency, which is facing growing opposition in Congress over reauthorization. Ex-Im’s charter will expire on Sept. 30, and key House leaders oppose it, including newly elected Majority Leader Kevin McCarthy, R-Calif., and Texas Republican Rep. Jeb Hensarling, chairman of the Financial Services Committee. Fraud and corruption are among a long list of operational problems at the bank, which is a conduit for corporate welfare and beset by mismanagement, inefficiency and risk. In a 2013 report to Congress, the Office of Inspector General characterized Ex-Im as exhibiting “weaknesses in governance and internal controls for business operations.” An examination of Ex-Im fraud cases reveals a disturbing pattern of carelessness in doling out taxpayer subsidies. According to the Journal, four employees are under investigation for accepting kickbacks and gifts and improperly steering federal contracts to favored firms. Such misconduct is an ever-present risk when government bureaucrats control billions of dollars in subsidies that confer a competitive advantage to favored companies. The latest report to Congress noted the dismissal of two employees and a letter of reprimand against another in a six-month period as a result of the IG’s investigations.

### PC not key

#### PC not real – ideology outweighs

Dickinson 9 (Matthew, professor of political science at Middlebury College and taught previously at Harvard University where he worked under the supervision of presidential scholar Richard Neustadt, 5/26, Presidential Power: A NonPartisan Analysis of Presidential Politics, “Sotomayor, Obama and Presidential Power,” <http://blogs.middlebury.edu/presidentialpower/2009/05/26/sotamayor-obama-and-presidential-power/>)

What is of more interest to me, however, is what her selection reveals about the basis of presidential power. Political scientists, like baseball writers evaluating hitters, have devised numerous means of measuring a president’s influence in Congress. I will devote a separate post to discussing these, but in brief, they often center on the creation of legislative “box scores” designed to measure how many times a president’s preferred piece of legislation, or nominee to the executive branch or the courts, is approved by Congress. That is, how many pieces of legislation that the president supports actually pass Congress? How often do members of Congress vote with the president’s preferences? How often is a president’s policy position supported by roll call outcomes? These measures, however, are a misleading gauge of presidential power – they are a better indicator of congressional power. This is because how members of Congress vote on a nominee or legislative item is rarely influenced by anything a president does. Although journalists (and political scientists) often focus on the legislative “endgame” to gauge presidential influence – will the President swing enough votes to get his preferred legislation enacted? – this mistakes an outcome with actual evidence of presidential influence. Once we control for other factors – a member of Congress’ ideological and partisan leanings, the political leanings of her constituency, whether she’s up for reelection or not – we can usually predict how she will vote without needing to know much of anything about what the president wants. (I am ignoring the importance of a president’s veto power for the moment.) Despite the much publicized and celebrated instances of presidential arm-twisting during the legislative endgame, then, most legislative outcomes don’t depend on presidential lobbying. But this is not to say that presidents lack influence. Instead, the primary means by which presidents influence what Congress does is through their ability to determine the alternatives from which Congress must choose. That is, presidential power is largely an exercise in agenda-setting – not arm-twisting. And we see this in the Sotomayer nomination. Barring a major scandal, she will almost certainly be confirmed to the Supreme Court whether Obama spends the confirmation hearings calling every Senator or instead spends the next few weeks ignoring the Senate debate in order to play Halo III on his Xbox. That is, how senators decide to vote on Sotomayor will have almost nothing to do with Obama’s lobbying from here on in (or lack thereof). His real influence has already occurred, in the decision to present Sotomayor as his nominee

### Winners Win

#### Winners win

Singer 9 – Juris Doctorate candidate at Berkeley Law (Jonathon, “By Expending Capital, Obama Grows His Capital,” 3/3/2009, http://www.mydd.com/story/2009/3/3/191825/0428)

From the latest NBC News-Wall Street Journal survey: Despite the country's struggling economy and vocal opposition to some of his policies, President Obama's favorability rating is at an all-time high. Two-thirds feel hopeful about his leadership and six in 10 approve of the job he's doing in the White House. "What is amazing here is how much political capital Obama has spent in the first six weeks," said Democratic pollster Peter D. Hart, who conducted this survey with Republican pollster Bill McInturff. "And against that, he stands at the end of this six weeks with as much or more capital in the bank." Peter Hart gets at a key point. Some believe that political capital is finite, that it can be used up. To an extent that's true. But it's important to note, too, that political capital can be regenerated -- and, specifically, that when a President expends a great deal of capital on a measure that was difficult to enact and then succeeds, he can build up more capital. Indeed, that appears to be what is happening with Barack Obama, who went to the mat to pass the stimulus package out of the gate, got it passed despite near-unanimous opposition of the Republicans on Capitol Hill, and is being rewarded by the American public as a result. Take a look at the numbers. President Obama now has a 68 percent favorable rating in the NBC-WSJ poll, his highest ever showing in the survey. Nearly half of those surveyed (47 percent) view him very positively. Obama's Democratic Party earns a respectable 49 percent favorable rating. The Republican Party, however, is in the toilet, with its worst ever showing in the history of the NBC-WSJ poll, 26 percent favorable. On the question of blame for the partisanship in Washington, 56 percent place the onus on the Bush administration and another 41 percent place it on Congressional Republicans. Yet just 24 percent blame Congressional Democrats, and a mere 11 percent blame the Obama administration. So at this point, with President Obama seemingly benefiting from his ambitious actions and the Republicans sinking further and further as a result of their knee-jerked opposition to that agenda,

#### More evidence – Winners win

Dickerson 13 (John, 1/18/2013, “Go for the Throat! Why if he wants to transform American politics, Obama must declare war on the Republican Party,” http://www.slate.com/articles/news\_and\_politics/politics/2013/01/barack\_obama\_s\_second\_inaugural\_address\_the\_president\_should\_declare\_war.single.html)

On Monday, President Obama will preside over the grand reopening of his administration. It would be altogether fitting if he stepped to the microphone, looked down the mall, and let out a sigh: so many people expecting so much from a government that appears capable of so little. A second inaugural suggests new beginnings, but this one is being bookended by dead-end debates. Gridlock over the fiscal cliff preceded it and gridlock over the debt limit, sequester, and budget will follow. After the election, the same people are in power in all the branches of government and they don't get along. There's no indication that the president's clashes with House Republicans will end soon. Inaugural speeches are supposed to be huge and stirring. Presidents haul our heroes onstage, from George Washington to Martin Luther King Jr. George W. Bush brought the Liberty Bell. They use history to make greatness and achievements seem like something you can just take down from the shelf. Americans are not stuck in the rut of the day. But this might be too much for Obama’s second inaugural address: After the last four years, how do you call the nation and its elected representatives to common action while standing on the steps of a building where collective action goes to die? That bipartisan bag of tricks has been tried and it didn’t work. People don’t believe it. Congress' approval rating is 14 percent, the lowest in history. In a December Gallup poll, 77 percent of those asked said the way Washington works is doing “serious harm” to the country. The challenge for President Obama’s speech is the challenge of his second term: how to be great when the environment stinks. Enhancing the president’s legacy requires something more than simply the clever application of predictable stratagems. Washington’s partisan rancor, the size of the problems facing government, and the limited amount of time before Obama is a lame duck all point to a single conclusion: The president who came into office speaking in lofty terms about bipartisanship and cooperation can only cement his legacy if he destroys the GOP. If he wants to transform American politics, he must go for the throat. President Obama could, of course, resign himself to tending to the achievements of his first term. He'd make sure health care reform is implemented, nurse the economy back to health, and put the military on a new footing after two wars. But he's more ambitious than that. He ran for president as a one-term senator with no executive experience. In his first term, he pushed for the biggest overhaul of health care possible because, as he told his aides, he wanted to make history. He may already have made it. There's no question that he is already a president of consequence. But there's no sign he's content to ride out the second half of the game in the Barcalounger. He is approaching gun control, climate change, and immigration with wide and excited eyes. He's not going for caretaker. How should the president proceed then, if he wants to be bold? The Barack Obama of the first administration might have approached the task by finding some Republicans to deal with and then start agreeing to some of their demands in hope that he would win some of their votes. It's the traditional approach. Perhaps he could add a good deal more schmoozing with lawmakers, too. That's the old way. He has abandoned that. He doesn't think it will work and he doesn't have the time. As Obama explained in his last press conference, he thinks the Republicans are dead set on opposing him. They cannot be unchained by schmoozing. Even if Obama were wrong about Republican intransigence, other constraints will limit the chance for cooperation. Republican lawmakers worried about primary challenges in 2014 are not going to be willing partners. He probably has at most 18 months before people start dropping the lame-duck label in close proximity to his name. Obama’s only remaining option is to pulverize. Whether he succeeds in passing legislation or not, given his ambitions, his goal should be to delegitimize his opponents. Through a series of clarifying fights over controversial issues, he can force Republicans to either side with their coalition's most extreme elements or cause a rift in the party that will leave it, at least temporarily, in disarray. This theory of political transformation rests on the weaponization (and slight bastardization) of the work by Yale political scientist Stephen Skowronek. Skowronek has written extensively about what distinguishes transformational presidents from caretaker presidents. In order for a president to be transformational, the old order has to fall as the orthodoxies that kept it in power exhaust themselves. Obama's gambit in 2009 was to build a new post-partisan consensus. That didn't work, but by exploiting the weaknesses of today’s Republican Party, Obama has an opportunity to hasten the demise of the old order by increasing the political cost of having the GOP coalition defined by Second Amendment absolutists, climate science deniers, supporters of “self-deportation” and the pure no-tax wing